

PACE (PAKISTAN) LIMITED
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED (UN-AUDITED)
MARCH 31, 2024

Pace (Pakistan) Limited

Company Information

Board of Directors

Sikander Rashid Choudry (Chairman)	Independent
Aamna Taseer (CEO)	Executive
Shehryar Ali Taseer	Executive
Shahbaz Ali Taseer	Executive
Shehribano Taseer	Non-Executive
Umair Fakhar Alam	Non-Executive
Shavez Ahmad	Independent

Chief Financial Officer

Muhammad Waheed Asghar

Audit Committee

Shavez Ahmad (Chairman)
Shehribano Taseer (Member)
Sikander Rashid Choudry (Member)

Human Resource and Remuneration (HR&R) Committee

Shavez Ahmad (Chairman)
Aamna Taseer (Member)
Shehribano Taseer (Member)

Company Secretary

Sajjad Ahmad

Auditors

M/s Junaidy Shoaib Asad,
Chartered Accountants

Legal Advisers

M/s. Ibrahim and Ibrahim
Barristers and Corporate Consultants
Lahore

Bankers

Allied Bank Limited
Albaraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
Silkbank Limited

Registrar and Shares Transfer Office

Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial Model Town, Lahore
Tele: + 92-42-5839182

Registered Office

First Capital House
96-B/1, Lower Ground Floor
M.M. Alam Road, Gulberg-III Lahore,
Pakistan
Tele: + 92-42-35778217-18

**Pace (Pakistan) Limited (“the Company” or “Pace”)
Directors’ Report (Period Ended March-2024)**

Company Performance and Financial Overview

The comparison of the financial results for the year ended 31st March 2024, with previous financial year is as under:

	Period End March 31 2024	Period End March 31 2023
	Rupees in ‘000’	
Sales	1,913,562	204,001
Cost of Sales	(1,295,970)	(44,589)
Gross Profit	617,592	159,412
Admin & Selling Expenses	(211,165)	(176,167)
Other Income	128,921	68,416
Exchange Gain/(loss) on foreign-currency convertible bond	150,733	(1,367,883)
Finance Cost	(176,575)	(156,432)
Gain from change in FV of investment property	(9,012)	(8,391)
Net profit/(loss) before tax	495,303	(1,484,654)
Net profit/(loss) after tax	471,383	(1,484,654)
Earnings/(Loss) per share (PKR)	1.69	(5.34)

During the period under review, revenue of the Company amounted to Rs. 1,913,562 million as compared to Rs. 204,001 million of the last corresponding period. Cost of Sales increased from Rs. 44,589 million last year to Rs. 1,295,970 in current year. Administrative expenses increased to Rs 211,165 million from Rs 176,167 million in comparative period. Other income of the company stands at Rs. 128,921 million. The Company earned an exchange gain of Rs. 150.733 million on Foreign Currency Convertible Loan due to appreciation of Pak-Rupee against dollars. Finance costs in previous year was Rs. 156,432 million as compared to Rs. 176,575 million in the current period, due to a higher KIBOR rate.

As a result of aforementioned factors, the Profit for the period under consideration amounted to Rs. 471,383 million as compared to last corresponding period’s loss at Rs. 1,484,654 million, resulting in Profit Per Share of Rs.1.69.

Subscription of right shares in Pace Barka Properties Limited

During the period under review the company has subscribed 174,742,631 shares of Rs. 10.00 each in Pace Barka as per Shareholders approval granted in last Annual General Meeting of the Company.

Sector Overview

The real estate industry encountered significant challenges during the year, including higher existing and new taxes, reduced remittances from overseas Pakistanis, and decreased interest from local and foreign investors in the sector. Escalating

construction costs have severely impacted project development and completion, while running existing projects has become costlier due to increased commodity prices and higher electricity rates. These factors collectively affected the overall performance of the Company

The Path Forward

Through the delivery of key development projects in 2023 - 2024 in form of Pace Towers and significant investment and share in pace Circle, we look forward to onboarding significant operating cash flows by successfully converting non-income producing assets to cash flowing operating assets.

While we will continue to focus on improving our capital structure over the coming years, we will also look to make diligent and sound investment decisions when compelling opportunities arise.

With best-in-class assets and properties in prime irreplaceable dense cluster locations and a great team, we hope that our investors continue to focus on our fundamentals as a high-quality, innovative company in real estate sector of Pakistan with a unique built-in platform for growth.

Our unparalleled team has done an extraordinary job in a tough environment and we admire their untiring efforts, dedication and commitment to the Company

For and on behalf of Board of directors

April 29th, 2024



Director



Chief Executive Officer

Pace (Pakistan) Limited

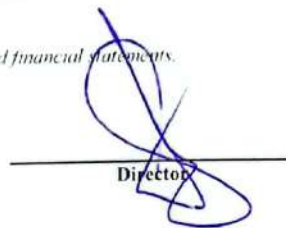
Condensed Interim unconsolidated Statement of Financial Position (Un-audited)

As at 31 March 2024

		Un-audited 31 March 2024 --- (Rupees in thousand) ---	Audited June 30, 2023		Un-audited 31 March 2024 --- (Rupees in thousand) ---	Audited 30 June 2023 --- (Rupees in thousand) ---	
EQUITY AND LIABILITIES				ASSETS			
<u>Share capital and reserves</u>				<u>Non-current assets</u>			
Authorised capital		6,000,000	6,000,000	Property, plant and equipment	13	519,006	540,192
Issued, subscribed and paid-up capital	6	2,788,766	2,788,766	Intangible assets		2,117	2,493
Share premium	7	273,265	273,265	Investment property		1,889,682	1,898,694
Revaluation surplus		47,037	47,037	Lease receivable		112,630	109,040
Accumulated loss		(4,315,198)	(4,786,581)	Contract asset		-	356,817
		(1,206,130)	(1,677,513)	Long term investments		2,597,747	850,321
				Long term advances and deposits		13,619	13,619
						5,134,801	3,771,176
<u>Non-current liabilities</u>				<u>Current assets</u>			
Long term finances - secured	8	-	-	Stock-in-trade	14	1,211,287	2,441,656
Redeemable capital - secured (non-participatory)	9	-	-	Trade debts	15	752,426	518,936
Lease liability		149,497	149,662	Advances, deposits, prepayments and other receivables		45,858	85,709
Foreign currency convertible bonds - unsecured	10	-	-	Lease Receivable		6,336	5,702
Deferred liabilities		51,207	49,157	Income tax refundable - net		16,106	29,291
		200,704	198,819	Cash and bank balances	16	44,488	19,636
						2,076,501	3,100,930
<u>Current liabilities</u>						7,211,302	6,872,106
Contract liability		261,117	247,894				
Current maturity of long term liabilities		5,750,240	5,933,174				
Creditors, accrued and other liabilities	11	698,980	820,987				
Accrued finance cost		1,506,391	1,348,745				
		8,216,728	8,350,800				
<u>Contingencies and commitments</u>							
	12	-	-				
		7,211,302	6,872,106				

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

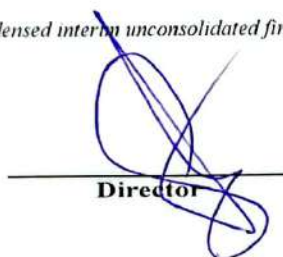
Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)

For the nine months ended 31 March 2024

	Note	For the nine months ended		For the quarter ended	
		31 March	31 March	31 March	31 March
		2024	2023	2024	2023
		--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	17	1,913,562	204,001	1,032,229	43,043
Cost of Revenue	18	(1,295,970)	(44,589)	(682,879)	(13,347)
Gross Profit		617,592	159,412	349,350	29,696
Administrative and selling expenses		(211,165)	(176,167)	(94,618)	(31,219)
Impairment loss on trade and other receivables		(5,191)	(3,609)	-	-
Other income	19	128,921	68,416	123,205	4,282
Profit from operations		530,157	48,052	377,937	2,759
Finance cost	20	(176,575)	(156,432)	(78,972)	(36,555)
Exchange gain/(loss) on foreign currency convertible bonds		150,733	(1,367,883)	58,903	(36,935)
Loss from change in fair value of investment property		(9,012)	(8,391)	1,793	(607)
Profit/ (Loss) before Taxation		495,303	(1,484,654)	359,661	(71,338)
Taxation	21	(23,920)	(3,590)	(12,903)	(868)
Profit/ (Loss) for the period		471,383	(1,488,244)	346,758	(72,206)
Profit/ (Loss) per share - basic and diluted		1.69	(5.34)	1.24	(0.03)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2024

	31 March 2024	31 March 2023
	--- (Rupees in thousand) ---	
(Loss) / profit for the period	471,383	(1,488,244)
<u>Other comprehensive income for the period</u>		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement of net defined benefit liability	-	-
Total comprehensive profit / (loss) for the period	471,383	(1,488,244)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)


For the nine months ended 31 March 2024

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserve Accumulated loss	Total
		Share premium	Revaluation surplus		
--- (Rupees in thousand) ---					
As at 01 July 2022 (Audited)	2,788,766	273,265	47,037	(3,121,517)	(12,449)
<i>Total comprehensive loss for the year ended 30 June 2023</i>					
Loss after taxation	-	-	-	(1,671,334)	(1,671,334)
Other comprehensive income	-	-	-	6,270	6,270
	-	-	-	(1,665,064)	(1,665,064)
Balance as at 30 June 2023 (Audited)	2,788,766	273,265	47,037	(4,786,581)	(1,677,513)
Profit after taxation	-	-	-	471,383	471,383
Other comprehensive income	-	-	-	-	-
	-	-	-	471,383	471,383
Balance as at 31 March 2024 (Un-audited)	2,788,766	273,265	47,037	(4,315,198)	(1,206,130)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



 Chief Executive Officer



 Director



 Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31 March 2024

	Note	Nine months ended	
		31 March 2024	31 March 2023
<u>Cash flows from operating activities</u>			
Cash generated from operations	22	1,801,912	118,117
Finance cost paid		-	-
Taxes paid		(10,735)	(8,578)
Net cash generated from operating activities		1,791,177	109,539
<u>Cash flow from investing activities</u>			
Investment during the year		(1,747,426)	-
Purchase of investment property		-	(80,894)
Sale proceeds from sale of operating fixed assets		-	-
Income on bank deposits received		590	66
Net cash used in investing activities		(1,746,836)	(80,828)
<u>Cash flow from financing activities</u>			
Long term loan paid during the year		-	(10,574)
Payments of lease liability		(19,489)	(19,187)
Net cash used in financing activities		(19,489)	(29,761)
Net (decrease)/increase in cash and cash equivalents		24,852	(1,050)
Cash and cash equivalents - at beginning of the period		19,636	22,433
Cash and cash equivalents - at end of the period	16	44,488	21,383

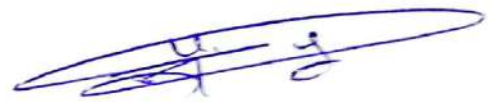
The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

1 The Company and its operations

1.1 Pace (Pakistan) Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

2 Going Concern Assumption

The Company has earned profit before tax of Rs. 495.303 million. The Company has entered into profit in this period mainly because of sale of its inventory located at Pace Circle. In addition, there is a exchange gain of Rs 150.733 million versus Rs. 1,367.883 million loss during period ended March 31, 2023 on the foreign currency convertible bonds issued by the Company.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 6,140.23 million (30 June 2023: Rs. 5,249.87 million), and accumulated losses of the Company stand at Rs. 4,315.20 million (30 June 2023: Rs. 4,786.58 million). Despite the accumulated losses, Company's liquidity position is getting better during the period ended March 31, 2024. The Company has also started meeting various obligations towards its lenders, including repayments of principle and mark-up thereon in respect of its borrowings. The construction activity on the project has also been started.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

Construction of Pace Tower remaining units is in process and the company is actively seeking to complete this project within next 12 months. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. In addition the company is in final negotiation with tentative buyers of Islamabad plots. The proceeds from sale of inventory shall be used for new project.

The Company has saleable inventory in the form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory, management is expected to generate Rs. 3,322 million over the period of five years. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Furthermore, the Chief Executive, Mrs. Aamna Taseer and Directors, Mr. Shahbaz Ali Taseer and Mr. Shehryar Ali Taseer have jointly provided a letter of support dated 08 September 2023 to the Company wherein they have committed to support the Company to continue as a going concern.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation / settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

3 Basis of preparation and statement of compliance

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2024 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements of the Company for the six months ended 31 March 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2023. Comparative condensed interim unconsolidated statement of financial position is stated from annual audited financial statements as of 30 June 2023, whereas comparatives for condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and related notes are extracted from condensed interim unconsolidated financial statements of the Company for the nine months ended 31 March 2023.

These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

4 Use of estimates and judgments

In preparing these condensed unconsolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2023.

5 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2023.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

Un-audited 31 March 2024 --- (Rupees in thousand) ---	Audited 30 June 2023	Un-audited 31 March 2023 --- (Number of Shares) ---	Audited 30 June 2023
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6 Share capital and reserves

6.1 Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each fully paid in cash	2,017,045	2,017,045	201,704,516	201,704,516
Ordinary shares of Rs. 10 each issued as bonus shares	771,721	771,721	77,172,088	77,172,088
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>

6.2 Ordinary shares of the Company held by associated undertakings are as follows:

Basis of Relationship		Un-audited 31 March 2024 --- (Number of Shares) ---	Audited 30 June 2023
First Capital Securities Corporation Limited	Common Directorship	7,504,915	7,504,915
First Capital Equities Limited	Common Directorship	7,600,000	7,600,000
		<u>15,104,915</u>	<u>15,104,915</u>

6.3 There has been no movement in ordinary share capital issued, subscribed and paid-up during the period ended 31 March 2024.

Un-audited 31 March 2024 --- (Rupees in thousand) ---	Audited 30 June 2023
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7 Share premium

Share premium reserve	<u>273,265</u>	<u>273,265</u>
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This reserve can only be utilized by the Company for the purpose specified in Section 81(2) of the Companies Act, 2017.

8 Long term finances - secured

	Note	Un-audited 31 March 2024 --- (Rupees in thousand) ---	Audited 30 June 2023
Pak Iran Joint Investment Company	8.1	66,860	66,860
Less: Current maturity presented under current liabilities		(66,860)	(66,860)
		<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

8.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

8.1.1 Terms of repayment

In accordance with the settlement agreement, the remaining outstanding mark-up of Rs. 66.86 million has been rescheduled and is payable over a period of 7 years with no mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly instalments. Amortized cost has been determined using effective interest rate of 6% per annum. Movement is as follows:

	Note	Un-audited 31 March 2023	Audited 30 June 2023
--- (Rupees in thousand) ---			
As at beginning of the year		66,860	66,860
Adjustment on account of default	8.1.2.1	-	-
As at end of the year		66,860	66,860

8.1.2 Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.86 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops / counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.67 million.

8.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly instalment was due on 01 January 2020. Company made a default in repayment of the instalment and no repayment was made till 31 December 2023. Pace, through its letter dated 17 July 2020, requested PAIR to defer the repayment plan for 24 months. However, no response from PAIR is received yet. Accordingly, we have classified the total balance outstanding as current liability as per the requirements of IAS 1 "Presentation of Financial Statement".

	Un-audited 31 March 2023	Audited 30 June 2023
--- (Rupees in thousand) ---		
9 Redeemable capital - secured (non-participatory)		
Term finance certificates	805,118	805,118
Less: Current maturity presented under current liabilities	(805,118)	(805,118)
	-	-

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

9.1 Terms finance certificate

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73 %, through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (June 30, 2023: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During 2020, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to apprise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 and has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal was shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Company's properties situated at 124/E-1, Main Boulevard Gulberg III, Lahore, 38-A and 39 Block P, Model Town, Lahore, G.T. Road Gujrat, G.T. Road, Gujranwala, and first exclusive hypothecation charge over certain specific fixed assets, to the extent of Rs.2,000 million.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

		Un-audited 31 March 2023	Audited 30 June 2023
10 Foreign currency convertible bonds - unsecured	<i>Note</i>	--- (Rupees in thousand) ---	
Opening balance		5,032,036	3,610,587
Mark-up accrued during the period		-	-
Exchange (gain)/loss for the period	10.2	5,032,036 (150,733)	3,610,587 1,421,449
		4,881,303	5,032,036
Less: Current portion shown under current liabilities		(4,881,303)	(5,032,036)
		-	-

10.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into an agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. As at December 31, 2023, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and includes accrued mark-up.

10.2 This represents exchange (gain)/ loss arising on translation of foreign currency convertible bonds.

		Un-audited 31 March 2023	Audited 30 June 2023
11 Creditors, accrued and other liabilities	<i>Note</i>	--- (Rupees in thousand) ---	
Trade creditors	11.1	77,643	101,272
Provisions and accrued liabilities		254,939	328,630
Payable to statutory bodies		101,693	101,693
Security deposits	11.2	54,340	59,560
Rentals against investment property received in advance		11,442	44,208
Retention money		5,461	5,461
Payable to contractors		-	2,699
Others		193,462	177,464
		698,980	820,987

11.1 This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. Nil (2023: Rs. 0.09 million) under normal course of business and are interest free.

11.2 These represent security deposits received against rent of shops rented out in the plazas. Section 217 of Companies Act, 2017 requires that a Company or any of its officers or agents shall not receive or utilize any money received as security or deposit, except in accordance with a contract in writing. Keeping in view the requirements of this section, the Company has entered into agreements with third parties whereby it is expressly stated that the Company shall have the right to utilize the security deposit at its discretion. These amounts are normally utilized to bring the areas rented out for their intended use (upkeep expenditure).

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

12 Contingencies and commitments

12.1 Contingencies

12.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (30 June 2023: Rs.21.64 million).

12.1.2 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 75 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the condensed interim financial statements.

12.1.3 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these condensed interim financial statements.

12.1.4 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 31 December 2023, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements.

12.2 Commitments

12.2.1 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (30 June 2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

Un-audited **Audited**
31 March **30 June**
2023 **2023**
--- (Rupees in thousand) ---

13 Property, plant and equipment

Note

Operating fixed assets	<i>13.1</i>	367,174	380,939
Capital work in progress		58,847	58,847
Right-of-use assets	<i>13.2</i>	92,985	100,406
		519,006	540,192

13.1 Operating fixed assets

Net book value at beginning of the period	380,939	401,468
Additions during the period	-	-
Disposals during the period	-	-
Transfers	-	-
Depreciation charged during the period	(13,765)	(20,529)
Impairment charge	-	-
	367,174	380,939

13.2 Right-of-use assets

Net book value at beginning of the period	100,405	108,499
Additions during the period	-	-
Disposals during the period	-	-
Depreciation charged during the period	(7,420)	(8,092)
	92,985	100,405

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	Note	Un-audited 31 March 2024	Audited 30 June 2023
14 Stock-in-trade			
Land not under development		21,600	21,600
Land purchased for resale		362,306	930,765
Work in progress			
<i>Pace Tower</i>		662,361	650,158
<i>Pace Circle</i>		-	670,650
Completed units - shops		164,630	168,091
		<u>1,210,897</u>	<u>2,441,264</u>
Stores inventory		390	392
		<u>1,211,287</u>	<u>2,441,656</u>
15 Trade debts			
<i>Secured</i>			
Considered good		880,704	635,083
<i>Unsecured</i>		416,134	423,074
		<u>1,296,838</u>	<u>1,058,157</u>
Less: Impairment allowance		(544,412)	(539,221)
		<u>752,426</u>	<u>518,936</u>
16 Cash and bank balances			
Cheques/ Cash in hand		17,790	16
<i>Cash at banks</i>			
- Current accounts	16.1	25,943	18,784
- Saving accounts	16.2	755	836
		<u>26,698</u>	<u>19,620</u>
		<u>44,488</u>	<u>19,636</u>

16.1 This includes Rs. 17 million (30 June 2023: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

16.2 This carries profit at the rates ranging from 20.50% to 20.50% (30 June 2023: 5.75% to 19.5%) per annum.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	Un-audited 31 March 2024	Un-audited 31 March 2023
	--- (Rupees in thousand) ---	
17 Revenue		
Development services	-	-
Sale of shops and plots	1,747,426	9,773
Display of advertisements	4,373	23,702
Service charges income	115,709	136,250
Revenue from contract with customers	<u>1,867,508</u>	<u>169,725</u>
Other revenue		
Rental income from lease of investment property	46,054	34,276
Total revenue	<u>1,913,562</u>	<u>204,001</u>
18 Cost of revenue		
Shops and commercial buildings sold		
- at percentage of completion basis	571,920	-
- at completion of project basis	662,631	8,940
Stores operating expenses	61,419	35,649
	<u>1,295,970</u>	<u>44,589</u>
19 Other income		
This represents gain on settlement of loan, commission income on guarantee, income from parking and storage and mark up on bank accounts and creditors written off.		
	Un-audited 31 March 2024	Un-audited 31 March 2023
	--- (Rupees in thousand) ---	
20 Finance cost		
Interest and mark-up on:		
- Foreign currency convertible bonds - unsecured	-	28,347
- Redeemable capital - secured (non-participatory)	145,103	105,410
- Default markup on loan from Pak Iran Joint Investment Company	12,543	10,002
- Notional interest on lease liability	18,703	12,566
	<u>176,349</u>	<u>156,325</u>
Bank charges and processing fee	226	107
	<u>176,575</u>	<u>156,432</u>
21 Taxation		
Income Tax		
- Current Year	23,920	3,590

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	Un-audited 31 March 2024	Un-audited 31 March 2023
	--- (Rupees in thousand) ---	
22 Cash (used in) / generated from operations		
Profit/(Loss) before tax	495,303	(1,484,654)
Adjustment for:		
Exchange gain on foreign currency convertible bonds	(150,733)	1,367,883
Provision for gratuity and leave encashment	2,050	9,241
Depreciation on property, plant and equipment	21,185	23,058
Amortisation on intangible assets	376	376
Impairment on trade receivable	5,191	3,609
Changes in fair value of investment property	9,012	8,391
Non Cash Income	(8,342)	(7,934)
Gain on loan settlement	-	(58,532)
Liability written back	(106,412)	-
Gain on disposal of operating fixed assets	-	-
Finance costs	176,349	156,325
Mark-up income	(590)	(66)
	<u>443,389</u>	<u>17,697</u>
Gain before working capital changes		
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ decrease in stock-in-trade	1,230,369	(16,151)
decrease/ (Increase) in trade debts	(159,730)	98,176
Decrease in contract asset	356,817	-
(Increase) in advances, deposits and other receivables	39,851	(3,227)
Increase in contract liability	13,223	19,900
(Decrease)/Increase in creditors, accrued and other liabilities	(122,007)	1,722
	<u>1,358,523</u>	<u>100,420</u>
	<u>1,801,912</u>	<u>118,117</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

23 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. All transactions with related parties have been carried out on Arm's length. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	Un-Audited	Unaudited
			31-Mar-24	31-Mar-23
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	Associated Company	Guarantee commission income	-	-
		Shared expenses charged by Company	-	-
		Sale of inventory	-	-
		Advances received	-	-
		Further investment	1,747,426	-
		Rental income	-	-
First Capital Investment Company	Common Directorship	Rent income	-	-
Evergreen Water Valley (Private) Limited	Common Directorship	Payment against purchase of property	-	80,894
		Advance for purchase of goods and services	-	25,142
Media Times Limited	Common Directorship	Rental income	8,342	7,934
		Advertisement expense	-	-
Rema & Shehrbano	Common Directorship	Service charges	-	-
Co-Natural	Common Directorship	Service charges	-	-
Post employment benefits plan	Employee Fund	Gratuity and leave encashment	2,050	9,241

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

24 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	31 March 2024 (Un-audited)					
	Carrying amount		Fair value			
	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
	--- (Rupees in thousand) ---					
<i>Note</i>						
Financial instruments						
31 March 2024						
<u>Financial assets not measured at fair value</u>						
Long term advances and deposits	13,619	-	13,619	-	-	-
Trade debts	752,426	-	752,426	-	-	-
Advances, deposits, prepayments and other receivables	45,858	-	45,858	-	-	-
Lease Receivable	112,630	-	112,630	-	-	-
Contract asset	-	-	-	-	-	-
Cash and bank balances	44,488	-	44,488	-	-	-
24.2	<u>969,021</u>	<u>-</u>	<u>969,021</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities not measured at fair value</u>						
Long term finances - secured	-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)	-	805,118	805,118	-	-	-
Lease liability	-	178,014	178,014	-	-	-
Foreign currency convertible bonds - unsecured	-	4,881,303	4,881,303	-	-	-
Creditors, accrued and other liabilities	-	687,538	687,538	-	-	-
Accrued finance cost	-	1,506,391	1,506,391	-	-	-
24.2	<u>-</u>	<u>8,125,224</u>	<u>8,125,224</u>	<u>-</u>	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

24.1 Fair value measurement of financial instruments

		30 June 2023 (Audited)				
		Carrying amount		Fair value		
	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3

Note

--- (Rupees in thousand) ---

Financial instruments

30 June 2023

Financial assets not measured at fair value

Long term advances and deposits	13,619	-	13,619	-	-	-
Trade debts	518,936	-	518,936	-	-	-
Advances, deposits, prepayments and other receivables	85,709	-	85,709	-	-	-
Cash and bank balances	19,636	-	19,636	-	-	-
Lease Receivable	114,742	-	114,742	-	-	-
Contract asset	356,817	-	356,817	-	-	-
24.2	<u>1,109,459</u>	<u>-</u>	<u>1,109,459</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities not measured at fair value

Long term finances - secured	-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)	-	805,118	805,118	-	-	-
Lease liability	-	178,822	178,822	-	-	-
Foreign currency convertible bonds - unsecured	-	5,032,036	5,032,036	-	-	-
Creditors, accrued and other liabilities	-	776,779	776,779	-	-	-
Accrued finance cost	-	1,348,745	1,348,745	-	-	-
24.2	<u>-</u>	<u>8,208,360</u>	<u>8,208,360</u>	<u>-</u>	<u>-</u>	<u>-</u>

24.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

25 Financial risk management

The Company's financial risk management objective and policies are consistent with that of disclosed in the annual audited financial statements of the Company for the year ended 30 June 2023.

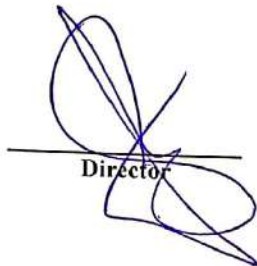
26 Date of authorization for issue

These unconsolidated condensed interim financial statements were authorized for issue on 29-04-2024 by the Board of Directors of the Company.

27 General

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

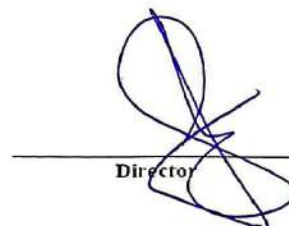
Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at 31 March 2024

EQUITY AND LIABILITIES	Note	Un-audited	Audited	ASSETS	Note	Un-audited	Audited
		March 31, 2024	June 30, 2023			March 31, 2024	June 30, 2023
--- (Rupees in thousand) ---				--- (Rupees in thousand) ---			
<u>Share capital and reserves</u>							
Authorised capital		6,000,000	6,000,000	<u>Non-current assets</u>			
Issued, subscribed and paid-up capital		2,788,766	2,788,766	Property, plant and equipment	10	519,006	540,192
Share premium		287,307	287,307	Intangible assets		2,117	2,493
Revaluation Surplus		47,037	47,037	Investment property		1,889,682	1,898,694
Accumulated loss		(4,150,633)	(4,387,350)	Lease Receivable		112,630	109,040
		(1,027,523)	(1,264,240)	Contract Asset		-	356,817
Non-controlling interests		87,030	87,030	Investment in associate	11	2,636,129	1,123,368
		(940,493)	(1,177,210)	Long term advances and deposits		15,248	15,248
						5,174,812	4,045,852
<u>Non-current liabilities</u>							
Long term finances - secured	6	-	-	<u>Current assets</u>			
Redeemable capital - secured (non-participatory)	7	-	-	Stock-in-trade	12	1,544,287	2,774,656
Lease liability		149,497	149,662	Trade debts		752,426	518,936
Foreign currency convertible bonds - unsecured	8	-	-	Advances, deposits, prepayments and other receivables		45,858	85,709
Deferred liabilities		51,207	49,157	Lease Receivable		6,336	5,702
Deferred Taxation		62,904	62,904	Income tax refundable - net		16,159	29,344
		263,608	261,723	Cash and bank balances		44,508	19,656
						2,409,574	3,434,003
<u>Current liabilities</u>							
Contract liability		261,117	248,894				
Current maturity of long term liabilities		5,750,240	5,933,174				
Creditors, accrued and other liabilities		743,522	864,529				
Accrued finance cost		1,506,391	1,348,745				
		8,261,270	8,395,342				
Contingencies and commitments	9	7,584,386	7,479,855			7,584,386	7,479,855

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director

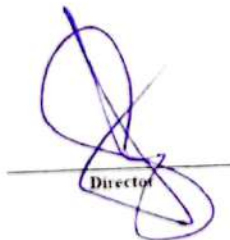

Chief Financial Officer

Pace (Pakistan) Limited
Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)
For the nine months ended 31 March 2024

	For the nine months ended		For the quarter ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	1,913,562	204,001	1,852,968	80,160
Cost of Revenue	(1,295,970)	(44,589)	(1,283,381)	(14,127)
Gross Profit	617,592	159,412	569,587	66,033
Administrative and selling expenses	(211,165)	(176,167)	(172,934)	(86,729)
Impairment loss on trade and other receivables	(5,191)	(3,609)	-	-
Other income	128,921	68,416	123,887	63,005
Profit from operations	530,157	48,052	520,540	42,309
Share of loss from Associate-net of tax	(234,666)	(37,928)	(138,106)	(13,713)
Finance cost	(176,575)	(156,432)	(140,299)	(59,649)
Exchange gain/(loss) on foreign currency convertible bonds	150,733	(1,367,883)	185,787	(12,100)
Loss from change in fair value of investment property	(9,012)	(8,391)	(3,579)	23,982
Profit/ (Loss) before Taxation	260,637	(1,522,582)	424,343	(5,458)
Taxation	(23,920)	6,163	(23,068)	(1,677)
Profit/ (Loss) for the period	236,717	(1,516,419)	401,275	(7,135)
Attributable to:				
Owners of the Parent Company	236,717	(1,516,419)	401,275	(7,135)
Non-controlling interests	-	-	-	-
	236,717	(1,516,419)	401,275	(7,135)
Earning/ (Loss) per share - basic and diluted	0.85	(5.44)	1.44	(0.03)

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited

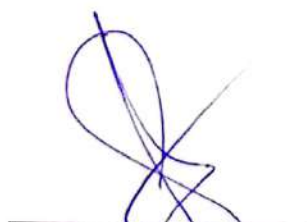
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2024

	31 March 2024	31 March 2023
	--- (Rupees in thousand) ---	
Note		
Loss for the year	236,717	(1,516,419)
<u>Other comprehensive income for the year</u>		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement of net defined benefit liability	-	-
Revaluation Surplus on transfer	-	-
Total comprehensive loss for the year	<u>236,717</u>	<u>(1,516,419)</u>
Attributable to:		
Owners of the Parent Company	236,717	(1,516,419)
Non-controlling interests	-	-
	<u>236,717</u>	<u>(1,516,419)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director

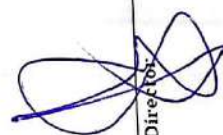

Chief Financial Officer

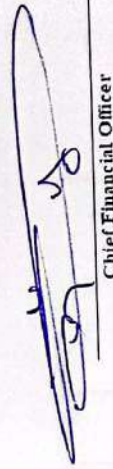
Pace (Pakistan) Limited
Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)
For the nine months ended 31 March 2024

	Capital reserve			Revenue reserve		Non-controlling Interests	Total Equity
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Share in reserves of associates	Accumulated loss		
Balance as at 30 June 2022	2,788,766	273,265	47,037	14,042	(2,661,298)	461,812	548,842
--- (Rupees in thousand) ---							
Total comprehensive loss for the year ended 30 June 2023							
Profit/ (Loss) after taxation	-	-	-	-	(1,732,321)	(1,732,321)	(1,732,321)
Other comprehensive income	-	-	-	-	6,270	6,270	6,270
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,387,350)	(1,264,239)	(1,177,210)
Total comprehensive loss for the period ended 31 March 2024							
Profit/ (Loss) after taxation	-	-	-	-	236,717	236,717	236,717
Other comprehensive income	-	-	-	-	236,717	236,717	236,717
Balance as at 31 March 2024	2,788,766	273,265	47,037	14,042	(4,150,633)	(1,027,522)	(940,492)

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited

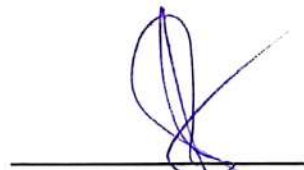
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31 March 2024

	Note	Un-audited 31 March 2024 --- (Rupees in thousand) ---	Un-audited 31 March 2023
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	13	1,801,913	118,117
Taxes paid		(10,735)	(8,578)
Net cash generated/ (used in) from operating activities		1,791,178	109,539
<u>Cash flow from investing activities</u>			
Investment during the year		(1,747,426)	-
Purchase of investment property		-	(80,894)
Income on bank deposits received		590	66
Net cash used in from investing activities		(1,746,836)	(80,828)
<u>Cash flow from financing activities</u>			
Long term loan paid during the year		-	(10,574)
Payments of lease liability		(19,489)	(19,187)
Net cash used in financing activities		(19,489)	(29,761)
Net increase/ (decrease) in cash and cash equivalents		24,853	(1,050)
Cash and cash equivalents - at beginning of the period		19,656	22,453
Cash and cash equivalents - at end of the quarter		44,508	21,403

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

1 The Group and its operations

	2023	2022
	(Direct holding percentage)	
The Group comprises of :		
Parent Company		
Pace (Pakistan) Limited	1.1	
Subsidiary Companies		
Pace Gujrat (Private) Limited	100%	100%
Pace SuperMall (Private) Limited	56.79%	56.79%
Pace Woodland (Private) Limited	52%	52%

1.1 Pace (Pakistan) Limited ('the Parent Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

1.2 Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary company) was incorporated on 27 March 2003 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

1.3 Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary company) was incorporated in Pakistan on 27 July 2004 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, super markets, utility stores, plazas, shopping arcades etc.

2 Going Concern Assumption

The Company has earned profit before tax of Rs. 260.637 million. The Company has entered into profit in this period mainly because of sale of its inventory located at Pace Circle. In addition, there is a exchange gain of Rs 150.733 million versus Rs. 1,367.883 million loss during period ended March 31, 2023 on the foreign currency convertible bonds issued by the Company.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 5,851.70 million (June 30, 2023: Rs. 3,514.749 million), and accumulated losses of the Company stand at Rs. 4,150.63 million (June 30, 2023: Rs. 4,786.58 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

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Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

repayment of principal and mark-up thereon in respect of its borrowings. The construction activity on the project has also been slow due to unavailability of enough financial resources causing a delay in the completion of Pace Tower, total estimated cost of completion of Pace Tower is Rs. 272 million. These conditions indicate the existence of a material uncertainty related to events or conditions that may cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

Construction of Pace Tower remaining units is in process and the company is actively seeking to complete this project within next 12 months. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. In addition the company is in final negotiation with tentative buyers of Islamabad plots. The proceeds from sale of inventory shall be used for new project.

Further, company is about to start sale of its Shadman project through zameen.com, one of the leading real estate sale agency of Pakistan. In addition, company has saleable inventory in the form of Islamabad plots, the palm and various shops in pace shopping malls. The management is expected to generate Rs. 3,322/- million over the period of three years from sale of these inventories. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/ settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

3 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

4 Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5 Significant accounting policies

The significant accounting policies adopted in the preparation of these condensed interim financial statements are same as presented in latest annual audit. These policies have been consistently applied to all the years presented, unless otherwise stated.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	2024	2023
	--- (Rupees in thousand) ---	
6 Long term finances - secured		
Pak Iran Joint Investment Company	66,860	66,860
Less: Current maturity presented under current liabilities	(66,860)	(66,860)
Non Current portion	<u>-</u>	<u>-</u>

6.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	Un-audited 31 March 2024	Audited 30 June 2023
	--- (Rupees in thousand) ---	
7 Redeemable capital - secured (non-participatory)		
Term finance certificates	805,118	815,691
Settlement during the year	-	(10,573)
	<u>805,118</u>	<u>805,118</u>
Less: Current maturity presented under current liabilities	<u>(805,118)</u>	<u>(805,118)</u>
Non Current portion	<u>-</u>	<u>-</u>
8 Foreign currency convertible bonds - unsecured		
Opening balance	5,032,036	3,610,587
Mark-up accrued during the year	-	-
	<u>5,032,036</u>	<u>3,610,587</u>
Exchange loss/ (gain) for the year	<u>(150,733)</u>	<u>1,421,449</u>
	<u>4,881,303</u>	<u>5,032,036</u>
Less: Current portion shown under current liabilities	<u>(4,881,303)</u>	<u>(5,032,036)</u>
Non Current portion	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

9 Contingencies and commitments

9.1 Contingencies

9.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (30 June 2023: Rs.21.64 million).

9.1.2 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 66.60 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

9.1.3 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

9.1.4 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 31 December 2023, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements.

9.2 Commitments

9.2.1 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (30 June 2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

	Un-audited 31 March 2024	Audited June 30, 2023
	--- (Rupees in thousand) ---	

Note

Property, plant and equipment

Operating fixed assets	367,174	380,939
Capital work in progress	58,847	58,847

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

Right-of-use assets

<u>92,985</u>	<u>100,406</u>
<u>519,006</u>	<u>540,192</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

	Un-audited 31 March 2024	Audited 30 June 2023
	--- (Rupees in thousand) ---	
11 Investment in Associate		
Associate - unquoted (accounted for under equity method)		
Pace Barka Properties Limited		
	<i>Note</i>	
	<i>11.1</i>	
	<u>2,636,129</u>	<u>1,123,368</u>
11.1 Associate - unquoted		
Cost	2,506,077	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognised directly in consolidated profit and loss account	<u>364,717</u>	419,360
Share of profit/(Loss) for the year	2,870,794	1,178,011
- before taxation	(234,538)	(54,643)
- provision for taxation	(127)	-
Share of other comprehensive loss	(234,666)	(54,643)
	-	-
Balance as on	<u>2,636,129</u>	<u>1,123,368</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

12 Stock-in-trade

		Un-audited 31 March 2024	Audited June 30, 2023
	Note	--- (Rupees in thousand) ---	
Land purchased for resale	12.2	362,306	930,765
Work in progress			
- Pace Tower	12.3	662,361	650,158
- Pace Circle		-	670,650
- Pace Supermall		354,600	354,600
Completed units - shops		164,630	168,091
		<u>1,543,897</u>	<u>2,774,264</u>
Stores inventory		390	392
		<u>1,544,287</u>	<u>2,774,656</u>

- 12.1** This represents the space purchased at Pace Supermall by the Company from its subsidiary for the purpose of resale and thus it is classified under stock.
- 12.2** This represents plot purchased for resale purposes amounting to Rs. 900 million (June 30, 2023: Rs. 900 million).
- 12.3** Included in work in progress are borrowing costs of Rs. 101 million (June 30, 2023: Rs. 101 million).

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

Note	July to March	
	2024	2023
	--- (Rupees in thousand) ---	
13 Cash generated/ (used in) from operations		
Loss before tax	260,637	(1,522,582)
Adjustment for:		
Exchange (gain)/ loss on foreign currency convertible bonds	(150,733)	1,367,883
Provision for gratuity and leave encashment	2,050	9,241
Depreciation on owned assets	21,185	23,058
Amortisation on intangible assets	376	376
Impairment on trade receivable	5,191	3,609
Changes in fair value of investment property	9,012	8,391
Non Cash Income	(114,754)	(66,466)
Finance costs	176,349	156,325
Mark-up income	(590)	(66)
Share of loss from Associate-net of tax	234,666	37,928
(Loss) / Gain before working capital changes	443,389	17,697
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ Decrease in stock-in-trade	1,230,369	(16,151)
(Increase)/ Decrease in trade debts	(159,729)	98,176
(Increase)/ Decrease in contract asset	356,817	-
(Increase)/ Decrease in advances, deposits and other receivables	39,851	(3,227)
Increase/ (Decrease) in contract liability	13,223	19,900
Increase/ (Decrease) in creditors, accrued and other liabilities	(122,007)	1,722
	1,358,524	100,420
	1,801,913	118,117

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2023

14 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. All transactions with related parties have been carried out on Arm's length. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	Un-Audited 31-Mar-24 --- (Rupees in thousand) ---	Unaudited 31-Mar-23
Pace Barka Properties Limited	Associated Company	Guarantee commission income	-	-
		Shared expenses charged by Company	-	-
		Sale of inventory	-	-
		Advances received	-	-
		Further investment	1,747,426	-
		Rental income	-	-
First Capital Investment Company	Common Directorship	Rent income	-	-
			-	-
Evergreen Water Valley (Private) Limited	Common Directorship	Payment against purchase of property	-	80,894
		Advance for purchase of goods and services	-	25,142
Media Times Limited	Common Directorship	Rental income	8,342	7,934
		Advertisement expense	-	-
Rema & Shehrbano	Common Directorship	Service charges	-	-
			-	-
Co-Natural	Common Directorship	Service charges	-	-
			2,050	9,241
Post employment benefits plan	Employee Fund	Gratuity and leave encashment	2,050	9,241

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

15 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

15.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. As part of these processes the financial viability of all counterparties are regularly monitored and assessed.

15.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains adequate reserves, by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities. Financial liabilities comprise trade and other payables and due to related parties.

15.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

15.4 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to foreign currency risk as at the reporting date.

15.5 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2024

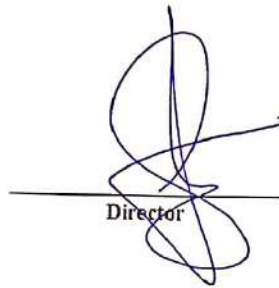
16 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 29-04-2024 by the Board of Directors of the Holding Company.

17 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.


Chief Executive Officer


Director


Chief Financial Officer