

Pace (Pakistan) Limited

Annual Report 2021



PACE 
Building the Future
Building Pakistan

VISION

Our vision is to build a future wherein the Pace Group is a household name across the country and is known worldwide for development and marketing of a fine living as well as shopping environment with heights quality unmatched value-for-money.

OUR PRINCIPLES

We are a Real Estate Development Company committed to achieving the highest industry standards and personal integrity in dealing with our customers, clients, professionals, employees, and the communities we work in.

MISSION STATEMENT

Formed in 1992, Pace Pakistan's principal mandate is to acquire, develop, sale and manage real estate assets located in major urban environments where real estate demands have increased sharply due to lifestyle changes.

This increased demand together with the real estate expertise from Pace defines the vision and the road map for the Company's future. Pace has and will continue to pursue residential, commercial and mixed-use transactions based on these principles with always an eye on strong community relations and integrity.

Pace (Pakistan) Limited

Company Information

Board of Directors

Shehryar Ali Taseer (Chairman)
Aamna Taseer (CEO)
Shahbaz Ali Taseer
Shehrbano Taseer
Mian Ehsan Ul Haq
Kanwar Latafat Ali Khan
Shavez Ahmad

Non-Executive
Executive
Executive
Non-Executive
Non-Executive
Independent
Independent

Chief Financial Officer

Sarim Sohail

Audit Committee

Shavez Ahmad (Chairman)
Mian Ehsan Ul Haq
Kanwar Latfat Ali Khan

Human Resource and Remuneration (HR&R) Committee

Shavez Ahmad (Chairman)
Aamna Taseer
Kanwar Latafat Ali Khan

Company Secretary

Sajjad Ahmad

Auditors

M/s Grant Thornton Anjum Rehman,
Chartered Accountants

Legal Advisers

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

Bankers

Allied Bank Limited
Albaraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silkbank Limited
Soneri Bank Limited
Pair Investment Company Limited
The Bank of Punjab
United Bank 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
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 30th Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") will be held on Thursday 28 October 2021 at 11:00 a.m. at Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 28 October 2020;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2021 together with the Chairman's Review, Directors' Report and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2022 and to fix their remuneration;

By order of the Board


Sajjad Ahmad
Company Secretary

Lahore:
07 October 2021

Notes:-

- 1) The Members Register will remain closed from 21 October 2021 to 28 October 2021 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October, 2021 will be treated in time for the purpose of Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, First Capital House, 96-B/1, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
- 4) Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.

The demand for video-link facility shall be received by the Share Registrar of the Company or directly to the Company at the email address given herein blow at least 7 (seven) days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: www.pacepakistan.com

Further, Securities & Exchange Commission of Pakistan vide its Circular No.5 dated March 17, 2020, has directed the listed companies to modify their usual planning for Annual General Meetings for the wellbeing of shareholders in light of the threat posed by the evolving COVID -19 situation.

Registered Office: First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III,
Lahore Tel: 042-35778217-18



Accordingly, the shareholders of the Company can opt to attend the meeting through Video/Webex/Zoom. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2021 and who are interested to attend AGM through online platform are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 7 (seven) days prior before the meeting;

Email; jawahar@pacepakistan.com, asattar@pacepakistan.com,
WhatsApp Number 0302-8440935, 0301-8449940

Please mention your Name, CNIC No, Folio / CDC A/C No & Number of shares for your identification.

Upon receipt of the above information from interested shareholders, the Company will send the login details / password at their email addresses. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from any convenient location.

The members can also send their comments/suggestions related to the agenda items of the meeting on the above mentioned email and Whats App number. The login facility will be opened 10 minutes before the meeting time to enable the participants to join the meeting.

- 5) Address of Independent Share Registrar of the Company: Name : **Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, (042) 35839182**
- 6) The Notice of Annual General Meeting has been placed on the Company's website: www.pacepakistan.com
- 7)
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 8) Members are requested to notify any change in their registered address immediately;

پیس (پاکستان) لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا کے ذریعے آگاہ کیا جاتا ہے کہ پیس (پاکستان) لمیٹڈ (”کمپنی“ یا ”پیس“) کے حصص داران کا تیسواں (30 واں) سالانہ اجلاس عام بمقام پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور کینٹ، لاہور میں بروز جمعرات مورخہ 28 اکتوبر 2021ء کو دن 11:00 بجے مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 28 اکتوبر 2020ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2021ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ چیئرمین کے تجزیہ، ڈائریکٹرز اور آڈیٹرز رپورٹ کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
3. 30 جون 2022ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور

07 اکتوبر 2021ء

مندرجات:

- (1) اراکین کارجرٹ 21 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2021ء کو کاروبار بند ہونے تک کارپ لنک (پرائیویٹ) لمیٹڈ، 1-K کمرشل ماڈل ٹاؤن لاہور، رجسٹرار اور کمپنی شیئر ٹرانسفر آفس کو موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت وصولی شمار کیا جائے گا۔
- (2) اجلاس میں شرکت اور رائے شماری کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا ہے۔ کارآمد کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔
- (3) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ دفتر واقع فرسٹ کیپٹل ہاؤس، 96-B/1، ایم ایم عالم

روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے

(4) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد ٹوٹل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز ویڈیولنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کی درخواست دے سکتے ہیں۔ ویڈیولنک سہولت کی درخواست اجلاس کے انعقاد سے 7 (سات) یوم قبل کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست معیاری فارم پر دی جائے۔ یہ معیاری فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔

مزید برآں، مورخہ 17 مارچ 2020ء کے مراسلہ نمبر 5 کے تحت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے لسٹڈ کمپنیوں کو COVID-19 وبا کے خطرات سے حصص داران کو محفوظ رکھنے کے لئے اپنے سالانہ اجلاس عام کے معمول میں تبدیلی کی ہدایات جاری کی ہیں۔

اسی طرح سے کمپنی کے حصص داران ویڈیو/ویپیکس/زوم کے ذریعے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2021ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کی کتابوں میں ظاہر ہوتے ہیں اور وہ آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہش مند ہیں تو انہیں اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

ای میل: asattar@pacepakistan.com؛ jawahar@pacepakistan.com

وٹس ایپ نمبر: 0302-8440935؛ 0301-8449940

براہ کرم اپنی شناخت کی غرض سے اپنا نام، CNIC نمبر، فوٹو/ CDC اکاؤنٹ نمبر اور حصص کی تعداد بیان کریں۔ خواہش مند شیئر ہولڈرز سے مذکورہ بالا معلومات کی وصولی پر کمپنی اُن کے ای میل ایڈریس پر لاگ ان تفصیلات/ پاس ورڈ بھیجے گی۔ AGM کے وقت شیئر ہولڈرز AGM کارروائی میں اپنے سمارٹ فون یا کمپیوٹر ڈیوائس کے ذریعے کسی بھی موافق مقام سے لاگ ان کر کے شرکت کر سکتے ہیں۔

اراکین اجلاس کے ایجنڈا آئٹمز سے متعلق اپنی رائے/ تجاویز مذکورہ بالا ای میل ایڈریس اور وٹس ایپ نمبر پر بھیج سکتے ہیں۔ لاگ ان کی سہولت اجلاس کے انعقاد سے 30 منٹ قبل کھولی جائے گی تاکہ شرکاء اجلاس میں شمولیت اختیار کر سکیں۔

(5) کمپنی کے خود مختار شیئر رجسٹرار کا پتا: کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور

(042)-35839182

(6) نوٹس برائے سالانہ اجلاس عام کمپنی کی ویب سائٹ www.pacepakistan.com پر شائع کر دیا گیا ہے۔

(a) (7) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بنی فیشل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

(b) پراکسیز کے تقرر کے لئے، CDC کا فرد واحد بنی فیشل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ پراکسی فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

(8) اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتا میں تبدیلی کی صورت میں فوراً آگاہ کریں۔

**Pace (Pakistan) Limited (“the Company” or “Pace”)
Directors’ Report (Year Ended June-2021)**

General Economic Overview

Pakistan’s economy posted GDP growth of 3.9 percent during FY21, which represented a recovery following the COVID-induced contraction a year earlier. The growth was broad-based, with the agriculture, industry and services sectors expanding by 2.8 percent, 3.6 percent, and 4.4 percent respectively. The economic turnaround was enabled by supportive policies of the government and central bank, which mitigated the health and economic fall-out of COVID on the economy.

The agriculture sector recorded growth of 2.8 percent during FY21, compared to 3.3 percent a year earlier. Almost all important crops performed better last year. Specifically, during Rabi FY21, Wheat Production grew by 8.1 percent compared to a year earlier, as subsidies on input and an increase in cultivated area of wheat. Moreover, after accounting for Rabi Season cultivation, the maize crop grew by 7.4 percent over the full year, driven primarily by an improvement in its yield. The latest estimates of crop production during the review period added on to the strong performance of rice and sugarcane during Kharif FY21. However, there was a notable decline in cotton, whose provisional estimates were revised further downward to around 7 million bales — i.e. a 22.8 percent decline in production compared to last year. This represents the lowest level of cotton production since FY85, attributed to a continuing fall in cultivated area and depressed yields due to exceptionally heavy monsoon rains and pest attacks.² Meanwhile, the livestock sector grew by 3.1 percent during FY21, compared to 2.1 percent a year earlier. This could mainly be traced to a recovery in the poultry sub- sector, which had been hit hard by the strict lockdowns from March 2020 onwards during the first wave of COVID, but gradually recovered in FY21 as the government shifted to smart lockdowns.

The industrial sector grew by 3.6 percent during FY21, compared to a decline of 3.8 percent last year. Within industry, Large Scale Manufacturing (LSM) rebounded sharply in the review period, growing by 9.0 percent during Jul-Mar FY21 compared to a contraction of 5.1 percent in the comparable period last year. LSM growth was driven by food, cement, textile and automobile sectors. Within the food group, better harvest of the sugarcane crop led to expansion in sugar output. The construction-allied industries of cement and steel performed well on the back of targeted fiscal and monetary incentives. Vibrancy in automobile sector was due to entry of new players, pent up demand of last year, subsidy on tractors, stability in exchange rate, low interest rates, and improved rural incomes, which contributed to a revival in demand for automobiles and led to output growth in the sector. The textile sector also grew notably during the review period, amid a rebound in the cotton textile segment. By contrast, the electricity and gas sub-sector posted a sharp decline during FY21 compared to last year, mainly on account of a reduced allocation of subsidies to DISCOs. It is worth highlighting that the quantum of electricity generation during Jul-Mar FY21 was, however, higher compared to Jul-Mar FY20.

The positive performance of the commodity-producing sectors provided the impetus for a 4.4 percent growth in the services sector, compared to a 0.6 percent contraction last year. Specifically, there was a notable turnaround in wholesale and retail trade growth due to an increase in overall economic activity and imports, whereas finance and insurance and general government settees also picked up the pace compared to a year earlier. Although, transport,

storage, and communication activities recorded marginally negative growth, the magnitude of contraction was smaller than the one observed in FY20.

Meanwhile, employment within the industrial sectors of Sindh and Punjab continued to recover during Jul-Feb FY21.6 The impetus mainly came from industries related to food-processing and cigarette manufacturing, while automobile and cotton textile also contributed positively to employment growth; these developments were broadly in line with the LSM growth observed for these sectors. The February 2021 wave of SBP's Business Confidence Survey also showed an improvement in the current employment index for the industry and service sectors. However, future employment expectations, as captured by the SBP's Consumer Confidence Survey, deteriorated in the march 2021, survey iteration, due to the beginning of the third COVID wave and subsequent restrictions to subdue it.

Company Performance and Financial Overview

The comparison of the financial results for the year ended 30th June 2021, with previous financial year is as under:

	Year End 2021	Year End 2020
	Rupees in '000'	
Sales	214,024	244,124
Cost of Sales	(75,761)	(177,674)
Gross Profit	138,263	66,450
Admin & Selling Expenses	(159,805)	(163,791)
Other Income	31,957	43,337
Exchange Gain/(loss) on foreign currency convertible bond	156,012	(64,809)
Impairment loss on receivables	(26,388)	(88,473)
Finance Cost	(134,289)	(205,459)
Other Operating expenses	(54,923)	(31,407)
Gain from change in FV of investment property	5,913	49,324
Net profit/(loss) before tax	(43,260)	(394,828)
Net profit/(loss) after tax	(46,322)	(397,879)
Earnings/(Loss) per share (PKR)	(0.17)	(1.43)

During year under review, the revenue of the Company amounted to Rs. 214.02 million as compared to Rs. 244.12 million of last year. Cost of Sales also decreased from Rs. 177.67 million last year to Rs. 75.76 current year, as a result of decrease in construction cost and operating costs related to Plazas. Administrative expenses were Rs 159.81 million against Rs 163.79 million. Other income of the company showed a decreasing trend amounting to 31.96 million as compared with Rs. 43.34 million of last year due to gain on settlement of loan was recorded in last year but there was no such transaction occurred in current year. The company also incurred an exchange gain of Rs. 156.01 million on Foreign Currency Convertible Loan due to appreciation of Pak-Rupee against dollars. Finance costs during the period decreased from Rs. 205.46 million to Rs. 134.29 million, due to decrease in KIBOR from 13.5% to 7%.

As a result of aforementioned factors, the loss for the period under consideration amounted to Rs. 46.32 million as compared to last year at Rs. 397.88 million, resulting in Loss Per Share (LPS) of Rs. 0.17 as compared to LPS of Rs. 1.43 in last year.

Status of Financial Obligations

The current maturity of long term loans decreased to Rs. 3.81 billion as at 30th June 2021 from Rs. 3.94 billion as at 30 June 2020. Such the decrease was witnessed on account of the reduction in KIBOR as mentioned above. Further the remaining amount payable to financial institutions and lenders in respect of company's borrowings is currently in overdue status because of the non-repayment of loans and accrued markup owing to the limited cash flows available to the company, however we look forward to repay our commitments and obligations towards our financial lenders in near future as the construction and sales in respect of Pace Tower has already begun. Further, the Company is in process of negotiations with lenders for settlement of their overdue liabilities.

Company's Ability to Continue as a Going Concern

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 2,274.39 million (2020: Rs. 2,434.47 million), and accumulated losses of the Company stand at Rs. 2,508.07 million (2020: Rs. 2,464.55 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. The construction activity on the project has also been very 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. 321.06 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.

Management is confident that it will complete Pace Tower Project by the end of 2022 and is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower.

Management is taking necessary steps for the completion and sale of Pace Circle.

Company has saleable inventory in 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. 3.04 billion over the period of three years. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Accordingly, these 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.

Risk Management

The Board recognizes that risk is an integral component of the business, and that it is characterized by both threat and opportunity. Pace fosters a risk aware corporate culture in all decision-making, and is committed to manage all risks in a proactive and effective manner

through competent risk management. To support this commitment, risk is analyzed in order to inform the management decisions taken at all levels within the organization. Due to the

limitations inherent in any risk management system, the process for identifying, evaluating and managing the material business risks is designed to manage, rather than eliminate, risk and to provide reasonable, but not absolute assurance, against material misstatement or loss. Certain risks, for example natural disasters, cannot be managed to an acceptable degree using internal controls. Such major risks are transferred to third parties in the local insurance markets, to the extent considered appropriate.

Internal Controls

The directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The directors have completed their annual review and assessment for year ended 2021.

The board and audit committee regularly review reports of the internal audit function of the company related to the Company's control framework in order to satisfy the internal control requirements. The company's internal Audit function reviews the integrity and effectiveness of control activities and provides regular reports to the Audit Committee and the Board.

Our Commitment to Diversity

We at Pace believe in diversity, wherever we operate and across every part of our business, we strive to create an inclusive culture in which difference is recognized and valued. By bringing together men and women from diverse backgrounds and giving each person the equal opportunity to contribute their skills, experience and perspectives, we believe that we are able to develop the best solutions to challenges and deliver sustainable value for our stakeholders.

Health and Safety Measures

We are committed on achieving our goal of zero harm. This is supported by our management system which provides the framework for incorporating hazard identification, risk assessment and risk management into all aspects of the operations. Safe operations that protect our people and assets are a priority and we work systematically to mitigate risks that are critical to operating safely.

We emphasize on improved leadership engagement around safety risk and to improve our health management processes, improve our understanding of fitness for work and wellness risks within our workforce.

Occupational health and safety is a top priority at the Company. We will strive to ensure safe working conditions, equipment and work sites. The Company promotes Employee involvement and accountability in identifying, preventing and eliminating hazardous conditions and the risks of Employee injury.

Health and safety in the working environment, product quality and operating efficiency are inseparable. The Company will ensure continuous improvement in health and safety performance through close cooperation among management, Employees and unions,

which will contribute to the health and safety of employees and the success of the organization.

The Company is committed to:

- make employee health and safety a priority in all aspects of management practices;
- establish, communicate and enforce, with the Employees' involvement, work site-specific rules and safe work methods;
- promote and develop the awareness, leadership and accountability of employees in health and safety through their involvement in continuous improvement processes;
- measure its health and safety performance in accordance with established standards, and communicate the results to the Employees.

Corporate Social Responsibility

The management of the Company allows various non-profit organizations to do charitable activities at the Shopping Malls of the Company i.e. distribution and display of their material and collection of charity through boxes etc.

People and Human Resource Development

Our People strategy, together with our employee commitment, forms the framework that guides how we attract, develop, engage and retain talented people, while ensuring alignment with our business strategy. In line with our Employment policy, we seek safe and effective working relationships at all levels within the Group.

We employ on the basis of job requirements and adhere to the laws pertaining to non-discrimination on grounds of age, ethnic or social origin, gender, sexual orientation, politics, religion or disability.

Our employees' diversity of skills, ideas and experiences helps to ensure that we respond innovatively and sensitively to the challenges faced across the Company. The Company's human resource development is founded on a strong set of values. The policies seek to instill spirit of trust, transparency and dignity among all employees and thus have contributed to continuous growth.

We have a full-fledged HR department that is responsible for making this all happen. We offer our employees a rounded total rewards package, the principles of which are consistent across the all levels, designed to be competitive, in compliance with all applicable laws and regulations, and appropriately balanced.

Appropriations

Keeping in view the financial constraints and requirements of the company, the board has not recommended any dividend for the year under review.

EXECUTIVE REMUNERATION

The remuneration to the Chief Executive Officer and Executive at the Company is as follows:

	Directors			
	Chief Executive Officer		Executive Director	
	2021	2020	2021	2020
	----- Rupees in Thousands -----			
Managerial remuneration	7,600	7,600	2,725	2,726
Housing allowance	3,040	3,040	1,090	1,091
Utilities	760	760	273	272
Staff retirement benefits - Gratuity	950	950	341	341
Leave encashment provision	633	633	227	227
	<u>12,983</u>	<u>12,983</u>	<u>4,656</u>	<u>4,657</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Code of Corporate Governance;

“Listed Companies (Code of Corporate Governance) Regulations” has been implemented; the composition of Board committees and the Composition of the Board are made in accordance with the provisions of the Code of Corporate Governance.

Composition of Board

The following persons, during the financial year, remained Directors of the Company:

Names	Designation
Aamna Taseer	CEO
Shehryar Ali Taseer	Chairman
Shahbaz Ali Taseer	Director
Shehrbano Taseer	Director
Mian Ehsan ul Haq	Director
Kanwar Latafat Ali Khan	Director
Shavez Ahmad	Director

Total number of Directors **07**

a) Male: 05

b) Female: 02

Composition:

Independent Directors 02

Other Non-Executive 03

Directors

Executive Directors 02

Committee of the board

Audit Committee

Shavez Ahmad (Chairman)
Mian Ehsan ul Haq (Member)
Kanwar Latafat Ali Khan (Member)

**Human Resource and
Remuneration (HR&R)
Committee**

Shavez Ahmad (Chairman)
Aamna Taseer (Member)
Kanwar Latafat Ali Khan (Member)

The Statement of Compliance with Code of Corporate Governance is annexed.

CHANGE OF REGISTERED OFFICE

The Registered Office of the Company has been changed to the First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore.

Auditors

The present auditors M/s Grant Thornton Anjum Rahman & Co., Chartered Accountants retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the Company for the year ending June 30, 2022, at a fee to be mutually agreed.

Integrity and compliance

Maintaining a strong and ethical culture is fundamental to the way we work at Pace. We are committed to conduct our business with integrity, one of our core values, and believe our values and good ethical standards are key to executing our strategy.

We are committed, in principle and practice, to transparency consistent with good governance and commercial confidentiality. We issue information in a timely way on the Group's operational, financial and sustainable development performance through a number of channels.

Compliance with Laws, Rules & Regulations

Employees are required to comply fully with all laws, rules and regulations affecting the Company's business and its conduct in business matters. It is the Company's policy to abide by the national and local laws of nation and communities in which business of the Company is conducted. Beyond the strictly legal aspects involved, employees at all times are expected to act honestly and maintain the highest standards of ethics and business conduct, consistent with the professional image of the Company.

Trading of Directors

During the year under review no trading in the Company shares were carried out by the Directors, CEO, CFO, Company Secretary and their spouses including any minor children.

Pattern of shareholding

The pattern of shareholding as required under Section 227(2)(f) of the Companies Act 2017 and Listing regulations is enclosed.

Corporate and Financial Reporting Framework

- The financial statements together with the notes drawn up by the management present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure there from (if any) is adequately disclosed.
- Significant deviations from last year in operating results of the Company have been highlighted and reasons thereof explained above.
- There are statutory payments on account of taxes, duties, levies and charges which are outstanding and have been disclosed in Note – 15 to financial statements.
- Information about loans and other debt instruments in which the Company is in default or likely to default are disclosed in Note – 17 to the financial statements.

The Path Forward

Through the delivery of key development projects in 2020 - 2021 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

October 6th, 2021

Director

Chief Executive Officer

FORM 34

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1. CUIIN (Registration Number) 0042733

2 Name of the Company PACE PAKISTAN LIMITED

3. Pattern of holding of the shares held by the shareholders as at 30-06-2021

-----Shareholdings-----			
4. No. of Shareholders	From	To	Total Shares Held
1799	1	100	133,859
936	101	500	398,484
3264	501	1,000	2,237,565
1939	1,001	5,000	5,658,876
734	5,001	10,000	6,271,079
281	10,001	15,000	3,731,920
221	15,001	20,000	4,152,448
156	20,001	25,000	3,701,142
94	25,001	30,000	2,716,477
59	30,001	35,000	1,999,212
65	35,001	40,000	2,545,852
31	40,001	45,000	1,357,553
108	45,001	50,000	5,355,001
22	50,001	55,000	1,168,131
30	55,001	60,000	1,745,267
8	60,001	65,000	501,405
15	65,001	70,000	1,040,501
23	70,001	75,000	1,711,400
19	75,001	80,000	1,504,000
18	80,001	85,000	1,502,275
12	85,001	90,000	1,057,500
3	90,001	95,000	280,000
70	95,001	100,000	6,993,000
9	100,001	105,000	921,842
7	105,001	110,000	766,500
3	110,001	115,000	338,500
2	115,001	120,000	238,000
9	120,001	125,000	1,113,000
3	125,001	130,000	379,000
9	130,001	135,000	1,202,011
4	135,001	140,000	556,000
3	140,001	145,000	427,000
17	145,001	150,000	2,541,000
1	150,001	155,000	152,000
1	155,001	160,000	159,000
3	160,001	165,000	495,000
1	165,001	170,000	165,500

4	170,001	-	175,000	698,500
3	175,001	-	180,000	535,500
3	180,001	-	185,000	549,391
3	185,001	-	190,000	566,500
7	190,001	-	195,000	1,358,502
26	195,001	-	200,000	5,193,500
4	205,001	-	210,000	837,500
3	210,001	-	215,000	640,500
1	215,001	-	220,000	218,000
1	220,001	-	225,000	225,000
1	225,001	-	230,000	226,500
1	235,001	-	240,000	237,000
8	245,001	-	250,000	1,996,500
1	255,001	-	260,000	256,500
3	260,001	-	265,000	788,000
2	265,001	-	270,000	540,000
2	275,001	-	280,000	558,000
1	280,001	-	285,000	280,500
2	285,001	-	290,000	579,500
1	290,001	-	295,000	294,500
10	295,001	-	300,000	2,997,000
1	320,001	-	325,000	325,000
1	335,001	-	340,000	340,000
1	340,001	-	345,000	341,500
2	345,001	-	350,000	700,000
3	350,001	-	355,000	1,052,000
1	355,001	-	360,000	360,000
1	375,001	-	380,000	375,211
1	385,001	-	390,000	389,500
7	395,001	-	400,000	2,800,000
1	405,001	-	410,000	408,000
5	415,001	-	420,000	2,087,191
2	420,001	-	425,000	846,100
1	425,001	-	430,000	425,716
1	430,001	-	435,000	435,000
1	435,001	-	440,000	437,583
1	450,001	-	455,000	453,000
2	460,001	-	465,000	928,838
1	480,001	-	485,000	485,000
9	495,001	-	500,000	4,500,000
1	510,001	-	515,000	513,500
1	535,001	-	540,000	539,387
2	540,001	-	545,000	1,082,000
2	545,001	-	550,000	1,100,000
1	555,001	-	560,000	560,000
5	595,001	-	600,000	2,996,000
1	625,001	-	630,000	630,000
1	645,001	-	650,000	650,000
1	655,001	-	660,000	659,000
1	665,001	-	670,000	670,000
2	695,001	-	700,000	1,400,000
2	710,001	-	715,000	1,427,628
1	715,001	-	720,000	720,000
1	725,001	-	730,000	729,500

1	745,001	-	750,000	750,000
1	810,001	-	815,000	814,082
9	830,001	-	835,000	7,495,056
1	845,001	-	850,000	850,000
1	850,001	-	855,000	853,500
1	875,001	-	880,000	879,590
1	895,001	-	900,000	898,000
1	910,001	-	915,000	915,000
1	915,001	-	920,000	915,500
4	995,001	-	1,000,000	4,000,000
1	1,005,001	-	1,010,000	1,006,500
1	1,010,001	-	1,015,000	1,015,000
1	1,020,001	-	1,025,000	1,025,000
1	1,045,001	-	1,050,000	1,049,000
1	1,055,001	-	1,060,000	1,060,000
1	1,135,001	-	1,140,000	1,136,500
1	1,145,001	-	1,150,000	1,150,000
1	1,160,001	-	1,165,000	1,162,500
1	1,195,001	-	1,200,000	1,200,000
2	1,245,001	-	1,250,000	2,500,000
1	1,250,001	-	1,255,000	1,254,500
1	1,295,001	-	1,300,000	1,299,500
1	1,365,001	-	1,370,000	1,370,000
1	1,405,001	-	1,410,000	1,405,500
1	1,545,001	-	1,550,000	1,550,000
1	1,785,001	-	1,790,000	1,788,000
1	1,800,001	-	1,805,000	1,802,500
1	1,910,001	-	1,915,000	1,913,500
1	1,995,001	-	2,000,000	2,000,000
1	2,015,001	-	2,020,000	2,020,000
1	2,590,001	-	2,595,000	2,590,268
1	2,880,001	-	2,885,000	2,880,500
1	2,980,001	-	2,985,000	2,982,695
1	2,995,001	-	3,000,000	3,000,000
1	3,295,001	-	3,300,000	3,300,000
1	3,905,001	-	3,910,000	3,910,000
1	4,210,001	-	4,215,000	4,213,500
1	4,295,001	-	4,300,000	4,300,000
1	4,425,001	-	4,430,000	4,426,200
1	6,955,001	-	6,960,000	6,959,290
1	7,035,001	-	7,040,000	7,036,415
1	18,685,001	-	18,690,000	18,688,500
1	21,800,001	-	21,805,000	21,803,661
1	27,545,001	-	27,550,000	27,546,000
10,186				278,876,604

5	Categories of shareholders	Shares held	Percentage
5.1(a)	Directors, CEO and their Spouse and Minor Children		
	Aamna Taseer	587	0.00021
	Shahbaz Ali Taseer	987	0.00035
	Shahryar Ali Taseer	28,000	0.01004
	Mian Ehsan Ul Haq	500	0.00018
	Shehribano Taseer	500	0.00018
	Kanwar Latafat Ali Khan	587	0.00021
	Shavez Ahmad	500	0.00018
5.1 (b)	Chief Executive Officer		
	(587) share of (Aamna Taseer CEO)	-	-
5.1(c)	Directors spouse & minor children	-	-
5.1.1	Executive / Executives' spouse	-	-
5.2	Associated Companies, undertaking and related parties		
	a) First Capital Securities Corporation Limited	7,501,915	2.69005
	b) First Capital Equities Limited	7,600,000	2.72522
	Sisley Group of Company Limited	27,546,000	9.87749
5.3	NIT and ICP	425,716	-
5.4	Banks, DFIs and NBFIs	1,250,587	0.44844
5.5	Insurance	375,711	0.13472
5.6	Modarabas and Mutual Funds	-	-
5.7	Share holders holding 10% or more voting interest	-	-
5.8	General Public		
	a) Local	180,402,867	64.68914
		-	-
	b) Foreign Companies/Orginzations/Individual / (repatriable t	32,197,427	11.54540
		-	-
5.9	Others		
	a) Joint Stock Companies	21,357,285	7.65833
	b) Others	187,435	
	b) Pension fund Provident Fund etc.	-	-
		278,876,604	100.00000

Pace (Pakistan) Limited

Chairman's Review

A Review Report by the Chairman on Board's overall performance and effectiveness of role played by the Board in achieving the Company's objectives u/s 192 of the Companies Act 2017:

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of Pace (Pakistan) Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended 30th June 2021, and on behalf of Board I am pleased to report that:

- The Board of Directors ("the Board") of Pace (Pakistan) Limited (Pace) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner.
- The Board of Pace is highly professional and experienced people. They bring a vast experience from different businesses including the independent directors. All board members are well aware of their responsibilities and fulfilling these diligently.
- The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the three directors on the Board have already taken certification under the Directors Training Program and the remaining directors meet the qualification and experience criteria of the Code;
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through

Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;

- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the director report is published with the quarterly and annual financial statement of the Company and the content of the directors report are in accordance with the requirement of applicable laws and regulation;
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;

I would like to place on record with thanks and appreciation to my fellow directors, shareholders, management and staff for their continued support in very challenging operating conditions. I look forward for more future success for the Company.

Lahore
Dated: 06 October 2021

Shehryar Ali Taseer
Chairman

نظر ثانی رپورٹ منجانب چیئرمین

مجموعی کارکردگی پر چیئرمین کی نظر ثانی رپورٹ

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز ("بورڈ") کی جانب سے ہیں (پاکستان) لمیٹڈ ("کمپنی") کی سالانہ تقویم کی جاتی ہے۔ اس تقویم کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثر کو جانچا جائے اور کمپنی کے لئے طے کئے گئے مقاصد کی مد میں توقعات پر پورا اتر جائے۔ ایسے شعبے جہاں بہتری کی ضرورت ہے کو حسب ضابطہ مد نظر رکھا گیا ہے اور حتمی منصوبے بنائے گئے ہیں۔

میں 30 جون، 2021ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کر رہی ہوں!

- ✓ ہیں (پاکستان) لمیٹڈ (PACE) کے بورڈ آف ڈائریکٹرز ("بورڈ") نے شیئرز ہولڈرز کے بہترین مفاد کو برقرار رکھنے کے لئے اپنے فرائض اور کمپنی کے امور کو مؤثر اور تسلی بخش انداز میں دلجمعی سے سرانجام دیا ہے۔
- ✓ PACE کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ انہوں نے مختلف امور بشمول آزاد ڈائریکٹرز کے وسیع تجربہ کو بروئے کار لایا ہے۔ بورڈ کے تمام اراکین اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور انہیں دلجمعی سے ادا کر رہے ہیں۔
- ✓ بورڈ کو غیر انتظامی اور آزاد ڈائریکٹرز اور ان کی کمیٹیوں کی ضابطہ کے تحت مناسب معاونت حاصل ہے اور یہ کہ بورڈ کے اراکین اور اس کی متعلقہ کمیٹیوں کے پاس کمپنی کے امور کو چلانے کے لئے موزوں مہارت، تجربہ اور علم موجود ہے۔
- ✓ بورڈ نے یہ یقینی بنایا ہے کہ اپنے فرائض کو بخوبی سرانجام دینے کے لئے ڈائریکٹرز کو آگاہی اور سرگرمی فراہم کرے۔ اور یہ کہ دو ڈائریکٹرز نے ڈائریکٹرز اینگ پروگرام کے تحت سرٹیفیکیشن حاصل کر لی ہے اور باقی ڈائریکٹرز ضابطہ کی اہلیت اور تجربہ کے معیار پر پورا اترتے ہیں۔
- ✓ بورڈ نے آڈٹ اور ہیومن ریسورس اور مشاہرہ کمیٹی تشکیل دی ہے اور ان کی متعلقہ ٹرمر آف ریفرنس کو منظور کیا ہے۔ اور مناسب وسائل مقرر کئے ہیں تاکہ کمیٹیاں اپنے فرائض خوش دلی سے سرانجام دے سکیں۔
- ✓ بورڈ نے یہ یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹیوں کے اجلاس مطلوبہ کورم کے ساتھ منعقد کئے جائیں، تمام فیصلہ سازی بورڈ کی قراردادوں کے ذریعے کی جائے اور تمام اجلاسوں کی کارروائیاں (بشمول کمیٹی کی کارروائیاں) مناسب طریقے سے ریکارڈ کی جاتی ہیں اور انہیں برقرار رکھا جا رہا ہے۔
- ✓ بورڈ نے حکمت عملی کے عمل، انٹر پرائز رسک مینجمنٹ سسٹم، پالیسی ڈیولپمنٹ اور مالیاتی سٹرکچر، نگرانی اور منظوری میں مستعدی سے حصہ لیا ہے۔ سال کے دوران تمام نمایاں معاملات کو بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیا گیا تاکہ کاروباری فیصلہ سازی کے عمل کو مضبوط اور منظم کیا جائے۔ اور خاص طور پر آڈٹ کمیٹی کی سفارشات پر کمپنی کی جانب سے تمام متعلقہ پارٹی کے لین دین کو بورڈ نے منظور کیا۔
- ✓ بورڈ نے یہ یقینی بنایا کہ انٹرنل کنٹرول کا مناسب نظام اس وقت قابل عمل ہے اور خود تشخیصی کے نظام اور/یا اندرونی آڈٹ سرگرمیوں کے ذریعے لگاتار اسسٹمنٹ کی جارہی ہے۔
- ✓ بورڈ نے ڈائریکٹرز رپورٹ تیار اور منظور کی ہے اور یقینی بنایا ہے کہ ڈائریکٹرز کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی اسٹیشن کے ساتھ شائع کی جائے اور ڈائریکٹرز رپورٹ کے مندرجات لاگو قوانین اور ضوابط کے عین مطابق ہیں۔
- ✓ بورڈ نے اپنے اختیارات کا استعمال بورڈ کو عائد کئے گئے اختیار کے مطابق اور کمپنی پر لاگو متعلقہ قوانین اور ضوابط کی روشنی میں ہی کیا ہے۔ اور بورڈ نے ڈائریکٹرز کے طور پر اپنے طرز عمل، اپنے اختیارات کے استعمال اور فیصلہ سازی میں لاگو قوانین و ضوابط کی تعمیل کو ہمیشہ ترجیح دی ہے۔
- ✓ بورڈ نے خدمات حاصل کرنے، تنفیض کرنے، چیف ایگزیکٹو آفیسر اور دیگر اہم ایگزیکٹو بشمول چیف مالیاتی افسر، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ کے معاوضے کو یقینی بنایا ہے۔
- ✓ بورڈ نے یقینی بنایا ہے کہ اراکین کو معقول معلومات کی فراہمی بروقت کی جاتی ہے اور بورڈ کے اراکین کے اجلاسوں کے درمیانی عرصہ میں ارتقاء آگاہ رکھا جاتا ہے۔

میں آپریشنز کے ان سخت حالات میں اپنے ساتھی ڈائریکٹرز، شیئرز ہولڈرز، مینجمنٹ اور عملہ کی مسلسل حمایت کی شکر گزار ہوں اور انہیں قدر کی نگاہ سے دیکھتی ہوں۔ میں مستقبل میں کمپنی کی کامیابی کے لئے پُر امید ہوں۔

شہر یار علی تاثیر
چیئرمین

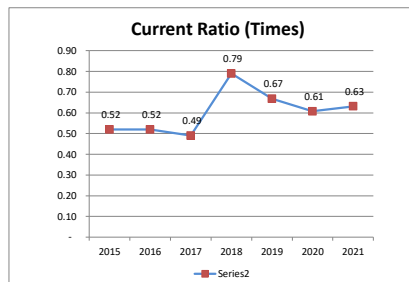
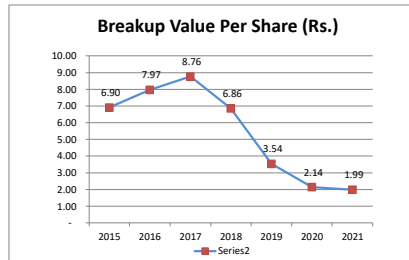
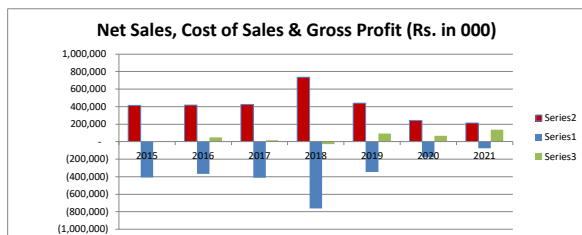
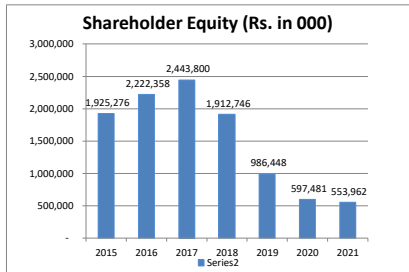
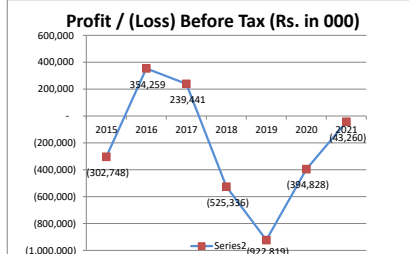
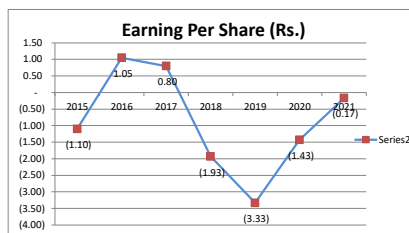
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107 اکتوبر 2021ء

Pace (Pakistan) Limited
KEY OPERATING AND FINANCIAL INDICATORS

KEY INDICATORS

Rupees in thousands

	2015	2016	2017	2018	2019	2020	2021	
Operating result								
Net Sales	413,204	416,931	425,574	737,452	440,345	244,124	214,024	
Cost of Sales	(407,893)	(368,731)	(409,780)	(764,122)	(346,475)	(177,674)	(75,761)	
Gross profit/(loss)	5,311	48,200	15,794	(26,670)	93,870	66,450	138,263	
Profit / (loss) from operation	(72,397)	523,515	371,850	(411,285)	(65,403)	(173,884)	(70,896)	
Profit / (loss) before tax	(302,748)	354,259	239,441	(525,336)	(922,819)	(394,828)	(43,260)	
Profit / (loss) after tax	(306,880)	294,035	224,135	(537,062)	(929,252)	(397,879)	(46,322)	
Financial Position								
Shareholder's equity	1,925,276	2,222,358	2,443,800	1,912,746	986,448	597,481	553,962	
Property, plant & Equipment	431,957	425,438	452,471	452,159	468,464	601,264	570,807	
Net current assets	(2,791,693)	(2,433,232)	(2,243,402)	(972,419)	(1,923,502)	(2,434,476)	(2,274,391)	
Profitability								
Gross profit / (loss)	%	1.29	11.56	3.71	(3.62)	21.32	27.22	64.60
Operating profit / (loss)	%	(17.52)	125.56	87.38	(55.77)	(14.85)	(71.23)	(33.13)
Profit / (loss) before tax	%	(73.27)	84.97	56.26	(71.24)	(209.57)	(161.73)	(20.21)
Profit / (loss) after tax	%	(74.27)	70.52	52.67	(72.83)	(211.03)	(162.98)	(21.64)
Performance								
Fixed assets turnover	Times	0.96	0.98	0.94	1.63	0.94	0.41	0.38
Return on equity	%	(14.77)	14.18	9.61	(24.66)	(94.20)	(50.24)	(8.05)
Return on capital employed	%	(3.69)	23.16	14.62	(20.45)	(3.25)	(22.29)	(9.64)
Liquidity								
Current Ratio	Times	0.52	0.52	0.49	0.79	0.67	0.61	0.63
Quick	Times	0.14	0.16	0.17	0.37	0.19	0.15	0.15
Valuation								
Earning per share	Rs	(1.10)	1.05	0.80	(1.93)	(3.33)	(1.43)	(0.17)
Break up value per share	Rs	6.90	7.97	8.76	6.86	3.54	2.14	1.99



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

**PACE (PAKISTAN) LIMITED
FOR THE YEAR ENDED JUNE 30 2021**

The company has complied with the requirements of the Regulations in the following manner:

1.	The total number of directors are seven as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of board is as follows:	
(i)	Independent Directors	02
(ii)	Other Non-Executive Directors	03
(iii)	Executive Directors	02
(iv)	Female Directors	02
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	The Board has arranged Directors' Training program for the following:	
	(Name of Director)	Mrs. Aamna Taseer
		Mr. Shehryar Ali Taseer
		Miss Shehribano Taseer
		Mian Ehsan UI Haq
	(Name of Executive & Designation (if applicable))	N/A
10.	The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	

11.	CFO and CEO duly endorsed the financial statements before approval of the board.	
12.	The board has formed committees comprising of members given below:	
a.	Audit Committee (Name of members and Chairman)	Shahvez Ahmad, (Chairman) Mian Ehsan UI Haq, (Member) Kanwar Latafat Ali Khan, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Shahvez Ahmad, (Chairman) Aamna Taseer, (Member) Kanwar Latafat Ali Khan, (Member)
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	N/A
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:	
a	Audit Committee	06
b	HR and Remuneration Committee	01
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15.	The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;	
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company	
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.	
18.	We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and	

For and on behalf of the Board

CHIEF EXECUTIVE

DIRECTOR

Lahore
07 October 2021



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACE PAKISTAN LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED N LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pace Pakistan Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Chartered Accountants
Lahore.

Dated: October 07, 2021

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Karachi & Islamabad



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INDEPENDENT AUDITOR'S REPORT

To the members of Pace Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed financial statements of **Pace Pakistan Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2021**, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, the comprehensive profit the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 2 to the unconsolidated financial statements which highlights the Company's inability to timely meet its obligations in respect of principal and mark-up repayments on borrowings from lenders. The current liabilities of the Company exceed its current assets by Rs. 2,274.39 million and the reserves of the Company have significantly depleted. These factors along with other matters as set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>Refer to statement of profit or loss and note 6.15 and 30 to the unconsolidated financial statements.</p> <p>The Company recognized a total revenue of Rs. 214.024 million being both at a point in time and over time depending on the nature of the contracts with customer, during the year ended 30 June 2021.</p> <p>We identified revenue recognition as a key audit matter because it involves the use of significant judgement to evaluate whether the contract has commercial substance or not.</p> <p>Further, it also involves judgment in evaluating whether collectability of an amount of consideration is probable.</p> <p>Furthermore, there is a risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue; assessing the appropriateness of the Company's accounting policy for recording of revenue and compliance of the policy with applicable accounting standards; performing tests of detail procedures over revenue recorded and cost incurred on the project during the year; evaluating the adequacy of the financial disclosures, including disclosures of key assumption and judgements; proposing adjustment for revenue recorded, where collectability of consideration is less than probable; and scanning for any manual journal entries relating to revenue recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2	<p>Valuation of Investment Property</p> <p>Refer to note 6.4 and 20 to the unconsolidated financial statements.</p> <p>The investment property of the Company comprises freehold land and building on freehold land.</p> <p>As at 30 June 2021, the carrying value of investment properties was Rs. 1,467.614 million.</p> <p>The Company has adopted the fair value model for measurement of its investment properties. Under the said model, it is required to measure all investment properties at fair value at each</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> assessing the design and implementation of the controls over the valuation of investment property and measurement of right of use asset classified in investment property; obtaining an understanding of the valuation process and assumption which the valuer has adopted to assess if they are consistent with the industry norms, market conditions and general prevailing economic circumstances; confirming that valuation approach was in accordance with International Financial Reporting Standards and suitable for use in

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	<p>reporting date. Changes in fair value are recognized in unconsolidated statement of profit or loss.</p> <p>Valuation of investment properties is identified as a key audit matter due to the significant carrying value of investment properties and the significant judgment and estimation involved in determining the fair value.</p>	<p>determining the fair value of the properties classified as Investment property;</p> <ul style="list-style-type: none"> • assessing the valuer's competence and capabilities and reading their terms of engagement with the Company; and • evaluating the adequacy of the financial statements disclosures, including disclosures of key assumptions and judgements.
3	<p>Transfer of Investment Property to Lease Receivable – Related Party</p> <p>Refer to note 20 & 21 to the unconsolidated financial statements.</p> <p>Investment Property amounting to Rs. 127.34 million at December 31, 2020 was leased out to related party.</p> <p>The transfer has been identified as a Key Audit Matter due to the judgement involved in determining the market value of the investment property at the time of disposal/ transfer and estimates involved in accounting for lease receivable.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of the valuation process and assumption which the valuer has adopted to assess if they are consistent with the industry norms, market conditions and general prevailing economic circumstances; • confirming that valuation approach was in accordance with International Financial Reporting Standards and suitable for use in determining the fair value of the properties classified as Investment property; • obtaining rent/lease agreement from the management of the Company; • evaluating the appropriateness of classification of investment property to lease receivable and ensuring that the adjustments have been properly incorporated and disclosed in these financial statements.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021 but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the



requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement changes in equity and the unconsolidated statement of cash flows statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The unconsolidated financial statements of the Company for the year ended 30 June 2020 were audited by KPMG Taseer Hadi & Co., Chartered Accountants whose report dated 07 October 2020 expressed an unmodified opinion with material uncertainty relating to going concern thereon.

The engagement partner on the audit resulting in this independent auditor's report is Asad Feroze.



CHARTERED ACCOUNTANTS
Lahore

Dated: October 07, 2021



Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To the members of Pace Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed financial statements of **Pace Pakistan Limited** (the Group), which comprise the consolidated statement of financial position as at **June 30, 2021**, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at June 30, 2021 and of the profit, the comprehensive profit the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 2 to the consolidated financial statements which highlights the Group's inability to timely meet its obligations in respect of principal and mark-up repayments on borrowings from lenders. The current liabilities of the Group exceed its current assets by Rs. 1,979.44 million and the reserves of the Group have significantly depleted. These factors along with other matters as set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>Refer to statement of profit or loss and note 6.15 and 30 to the consolidated financial statements.</p> <p>The Group recognized a total revenue of Rs. 214.024 million being both at a point in time and over time depending on the nature of the contracts with customer, during the year ended 30 June 2021.</p> <p>We identified revenue recognition as a key audit matter because it involves the use of significant judgement to evaluate whether the contract has commercial substance or not.</p> <p>Further, it also involves judgment in evaluating whether collectability of an amount of consideration is probable.</p> <p>Furthermore, there is a risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue; assessing the appropriateness of the Group's accounting policy for recording of revenue and compliance of the policy with applicable accounting standards; performing tests of detail procedures over revenue recorded and cost incurred on the project during the year; evaluating the adequacy of the financial disclosures, including disclosures of key assumption and judgements; proposing adjustment for revenue recorded, where collectability of consideration is less than probable; and scanning for any manual journal entries relating to revenue recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2	<p>Valuation of Investment Property</p> <p>Refer to note 6.5 and 21 to the consolidated financial statements.</p> <p>The investment property of the Group comprises freehold land and building on freehold land.</p> <p>As at 30 June 2021, the carrying value of investment properties was Rs. 1,467.614 million.</p> <p>The Group has adopted the fair value model for measurement of its investment properties. Under the said model, it is required to measure all investment properties at fair value at each</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> assessing the design and implementation of the controls over the valuation of investment property and measurement of right of use asset classified in investment property; obtaining an understanding of the valuation process and assumption which the valuer has adopted to assess if they are consistent with the industry norms, market conditions and general prevailing economic circumstances; confirming that valuation approach was in accordance with International Financial Reporting Standards and suitable for use in

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	<p>reporting date. Changes in fair value are recognized in consolidated statement of profit or loss.</p> <p>Valuation of investment properties is identified as a key audit matter due to the significant carrying value of investment properties and the significant judgment and estimation involved in determining the fair value.</p>	<p>determining the fair value of the properties classified as Investment property;</p> <ul style="list-style-type: none"> • assessing the valuer's competence and capabilities and reading their terms of engagement with the Group; and • evaluating the adequacy of the financial statements disclosures, including disclosures of key assumptions and judgements.
3	<p>Transfer of Investment Property to Lease Receivable – Related Party</p> <p>Refer to note 21 & 22 to the consolidated financial statements.</p> <p>Investment Property amounting to Rs. 127.34 million at December 31, 2020 was leased out to related party.</p> <p>The transfer has been identified as a Key Audit Matter due to the judgement involved in determining the market value of the investment property at the time of disposal/ transfer and estimates involved in accounting for lease receivable.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of the valuation process and assumption which the valuer has adopted to assess if they are consistent with the industry norms, market conditions and general prevailing economic circumstances; • confirming that valuation approach was in accordance with International Financial Reporting Standards and suitable for use in determining the fair value of the properties classified as Investment property; • obtaining rent/lease agreement from the management of the Group; • evaluating the appropriateness of classification of investment property to lease receivable and ensuring that the adjustments have been properly incorporated and disclosed in these financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021 but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management



determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Group as required by the Companies Act, 2017 (XIX of 2017);
- b) the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement changes in equity and the consolidated statement of cash flows statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Group's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The consolidated financial statements of the Group for the year ended 30 June 2020 were audited by KPMG Taseer Hadi & Co., Chartered Accountants whose report dated 07 October 2020 expressed an unmodified opinion with material uncertainty relating to going concern thereon.

The engagement partner on the audit resulting in this independent auditor's report is Asad Feroze.



CHARTERED ACCOUNTANTS
Lahore

Dated: October 07, 2021

Pace (Pakistan) Limited
Unconsolidated Statement of Financial Position
As at 30 June 2021

EQUITY AND LIABILITIES	Note	2021 --- (Rupees in thousand) ---	2020
<u>Share capital and reserves</u>			
Authorised capital	7	6,000,000	6,000,000
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766
Share premium	7	273,265	273,265
Accumulated loss		(2,508,069)	(2,464,550)
		553,962	597,481
<u>Non-current liabilities</u>			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	136,871	136,572
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	44,532	45,934
		181,403	182,506
<u>Current liabilities</u>			
Contract liability	13	346,255	228,256
Current maturity of long term liabilities	14	3,809,630	3,940,406
Creditors, accrued and other liabilities	15	730,790	845,135
Accrued finance cost	16	1,291,112	1,189,058
		6,177,787	6,202,855
Contingencies and commitments			
	17		
		6,913,152	6,982,842

ASSETS	Note	2021 --- (Rupees in thousand) ---	2020
<u>Non-current assets</u>			
Property, plant and equipment	18	570,607	601,264
Intangible assets	19	3,500	4,008
Investment property	20	1,467,614	1,745,251
Lease Receivable	21	104,095	-
Long term investments	22	850,321	850,321
Long term advances and deposits	23	13,619	13,619
Deferred taxation	24	-	-
		3,009,756	3,214,463
<u>Current assets</u>			
Stock-in-trade	25	2,997,281	2,821,179
Trade debts	26	515,241	506,964
Advances, deposits, prepayments and other receivables	27	338,688	393,266
Income tax refundable - net	28	31,943	23,845
Cash and bank balances	29	20,243	23,125
		3,903,396	3,768,379
		6,913,152	6,982,842

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited
Unconsolidated Statement of Profit or Loss
For the year ended 30 June 2021

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Revenue	30	214,024	244,124
Cost of Revenue	31	(75,761)	(177,674)
Gross Profit		138,263	66,450
Administrative and selling expenses	32	(186,193)	(252,264)
Other income	33	31,957	43,337
Other expenses		(54,923)	(31,407)
Loss from operations		(70,896)	(173,884)
Finance cost	34	(134,289)	(205,459)
Exchange gain/ (loss) on foreign currency convertible bonds	11.2	156,012	(64,809)
Gain from change in fair value of investment property		5,913	49,324
Profit/ (Loss) before Taxation		(43,260)	(394,828)
Taxation	35	(3,062)	(3,051)
Profit/ (Loss) after Taxation		(46,322)	(397,879)
Earning/ (Loss) per share - basic and diluted	36	(0.17)	(1.43)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited
Unconsolidated Statement of Comprehensive Income
For the year ended 30 June 2021

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Loss for the year		(46,322)	(397,879)
<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	12	2,803	8,912
Total comprehensive gain/ (loss) for the year		<u>(43,519)</u>	<u>(388,967)</u>

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Unconsolidated Statement of Changes In Equity

For the year ended 30 June 2021

		<u>Capital reserve</u>	<u>Revenue reserve</u>	
	Issued, subscribed and paid-up capital	Share premium	Accumulated loss	Total
	--- (Rupees in thousand) ---			
Balance as at 30 June 2019	2,788,766	273,265	(2,075,583)	986,448
<i>Total comprehensive loss for the year ended 30 June 2020</i>				
Profit/ (Loss) after taxation	-	-	(397,879)	(397,879)
Other comprehensive income	-	-	8,912	8,912
	-	-	(388,967)	(388,967)
Balance as at 30 June 2020	2,788,766	273,265	(2,464,550)	597,481
<i>Total comprehensive loss for the year ended 30 June 2021</i>				
Profit/ (Loss) after taxation	-	-	(46,322)	(46,322)
Other comprehensive income	-	-	2,803	2,803
	-	-	(43,519)	(43,519)
Balance as at 30 June 2021	2,788,766	273,265	(2,508,069)	553,962

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited
Unconsolidated Statement of Cash Flows
For the year ended 30 June 2021

		2021	2020
	<i>Note</i>	--- (Rupees in thousand) ---	
<u>Cash flows from operating activities</u>			
Cash (used in) operations	37	(114,190)	(72,752)
Gratuity and leave encashment paid		-	(1,351)
Taxes paid		(11,226)	(11,934)
Net cash (used in) / generated from operating activities		(125,416)	(86,037)
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		-	(28,950)
Proceeds from disposal of property, plant and equipment		-	2,212
Proceeds from disposal of investment property		128,990	-
Income on bank deposits received	33	98	100
Net cash used in from investing activities		129,088	(26,638)
<u>Cash flow from financing activities</u>			
Long term loan paid during the year		-	(22,535)
Payments of lease liability		(6,554)	(7,058)
Net cash used in financing activities		(6,554)	(29,593)
Net (decrease) / increase in cash and cash equivalents		(2,882)	(142,268)
Cash and cash equivalents - at beginning of the year		23,125	165,393
Cash and cash equivalents - at end of the year	38	20,243	23,125

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

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 incurred profit/ (loss) before tax of Rs. (43.26) million (2020: Rs. (394.83)). Decrease in loss is mainly driven by exchange gain/ (loss) of Rs. 156.01 million in 2021 versus Rs. (64.81) million in 2020 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. 2,274.39 million (2020: Rs. 2,434.47 million), and accumulated losses of the Company stand at Rs. 2,508.07 million (2020: Rs. 2,464.55 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. The construction activity on the project has also been very 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. 321.06 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:

The management is continuously engaged with its lenders for settlements of Company's borrowings. As per various settlement agreements entered into with the term finance certificates (TFC) holders, management expects a waiver of markup amounting to Rs. 198.33 million. Moreover, the Company has entered into a settlement agreement with Bank of Khyber against 13th floor of Pace Tower measuring 8,000 square feet as explained in note 9.3.

As explained in note 45, construction of Pace Tower was delayed due to lockdown imposed during the strain of COVID-19, however the management is confident that it will complete Pace Tower Project by the end of 2022 and is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. Management is also taking necessary steps for the completion and sale of Pace Circle.

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. 3,039 million over the period of three year. 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 1 October 2021 to the Company wherein they have committed to support the Company to continue as a going concern.

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

Accordingly, these 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.

3 Basis of preparation

3.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared separately.

The Company has following investments:

<u>Subsidiaries</u>	Country of incorporation	Shareholding
Pace Gujrat (Private) Limited	Pakistan	100%
Pace Super Mall (Private) Limited	Pakistan	56.79%
Pace Woodland (Private) Limited	Pakistan	52%

The principal activity of all the subsidiaries 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.

<u>Associate</u>	Country of incorporation	Shareholding
Pace Barka Properties Limited	Pakistan	24.86%

The principal activity of the Company is to acquire, construct, develop, sell rent out shopping malls, apartments, villas, commercial buildings, etc. and to carry on business of hospitality.

3.2 Statement of compliance

These unconsolidated 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

- 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.

3.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Investment property which is measured at fair value; and
- Retirement benefits at present value.

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

4 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

4.1 Standards that are not yet effective

There are certain new standards, amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. At present, the Company is in process of determining the impacts of application of these new standards on future financial statements of the Company.

4.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

In addition to the above, following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 14 Regulatory Deferral Accounts
- IFRS 17 Insurance Contracts

5 Use of estimates and judgments

The preparation of unconsolidated 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.

The areas where assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Estimates

	<i>Note</i>
- Provision for taxation	6.1
- Property, plant and equipment	6.2
- Intangibles	6.3
- Investment property valuation	6.5
- Stock-in-trade	6.6
- Employee benefits	6.13
- Measurement of ECL allowance for trade debts	6.16.5
- Impairment on non-financial assets	6.17
- Contingent liabilities	6.18

5.2 Judgements

- Costs to complete the projects	6.6
- Satisfaction of performance obligations	6.15

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

6 Significant accounting policies

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

6.1 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

6.2 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except for freehold land which is stated at cost less any identified impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Major repairs and improvements are capitalized. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Depreciation on owned assets is charged to the statement of profit or loss on the reducing balance method except for building on leasehold land which is being depreciated using straight line method, so as to write off the cost of an asset over its estimated useful life at the annual rates given in note 18.1.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged in the month of disposal.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis at the rates specified in note 18.3 to the financial statements.

Capital work in progress

Capital work in progress is stated at cost, less any identified impairment loss. Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for intended use.

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

6.3 Intangible assets

Computer Software

Expenditure incurred to acquire computer software is capitalized as an intangible asset and stated at cost less accumulated amortization (for finite useful life of intangible asset) and any identified impairment loss. Amortization is charged to statement of profit or loss on reducing balance method at an annual rate of 10% except optical fiber, as to write off the cost over its estimated useful life.

Optical Fiber

Expenditure incurred to acquire the rights to use optical fiber are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Amortization is charged to statement of profit or loss on straight line basis method at an annual rate of 5%, as to write off the cost over its estimated useful life.

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The Company reviews the rate of amortization and value of intangible assets for possible impairment, on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding effect on the amortization charge and impairment.

6.4 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at fair value. Changes in fair value are recognized in statement of profit or loss.

If an item of property, plant and equipment becomes an investment property because its use has been changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation reserve for investment property. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in statement of profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the statement of profit or loss.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

6.5 Investments

6.5.1 Investment in equity instruments of subsidiary companies

Investment in subsidiary companies is measured at cost in the Company's separate financial statements, as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

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For the year ended 30 June 2021

6.5.2 Investments in equity instruments of associated companies

Associates are all entities over which the Company has significant influence but no control. Investments in associates are measured at cost less any identified impairment loss if any in the Company's separate financial statements. However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense.

6.6 Stock-in-trade

Land, condominiums, shops / counters and villas available for future sale are classified as stock-in-trade. These are carried at the lower of cost and net realizable value. Work-in-process comprises of condominiums, shops / counters and villas in the process of construction / development. Cost in relation to work-in-process comprises of proportionate cost of land, cost of direct materials, labor and appropriate overheads. Cost in relation to shops transferred from investment property is the fair value of the shops on the date of transfer and any subsequent expenditures incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include the cost of providing infrastructure activities, potential claims by sub contractors and the cost of meeting the contractual obligation to the customers. The company engages an expert to assist in determining the cost of completion.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

6.7 Trade debts

Trade debts and other receivables are classified at amortized cost and are measured at invoice value less impairment allowance, if any. Trade debts where the ownership of the work in progress is transferred by the Company to the buyer as the construction progresses is recognized using the percentage of completion method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years and loss given default. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

6.8 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

6.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, call deposits receipts, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and short term finance.

6.10 Borrowings

Borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

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6.11 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated again at the reporting date.

6.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant and equipment and investment properties' based on their use and lease liabilities as separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

6.13 Employee benefits

The Company operates an unfunded gratuity plan covering all of its eligible employees who have completed the minimum qualifying period. The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year other than on account of experience adjustment is included in statement of profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then - net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

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The Company provides for accumulating compensated absences when the employees render service that increase the entitlement to future compensated absences. Under the rules all employees are entitled to 20 days leave per year respectively. Unutilised leaves can be accumulated upto unlimited amount. Unutilised leaves can be used at any time by all employees, subject to the Company's approval.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss.

6.14 Creditors, accruals and other liabilities

Creditors, accruals and other liabilities are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Company. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.15 Revenue recognition

6.15.1 Revenue from contracts with customers

The Company recognizes revenue when it transfers control over a good or service to a customer based on a five step model as set out in IFRS 15.

- Step 1: **Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: **Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: **Determine the transaction price:** The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.
- Step 5: **Recognize revenue when (or as) the Company satisfies a performance obligation.**

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

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Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements except for service income earned on security, janitorial maintenance, administration and other utilities.

Development services

Revenue from rendering of development management services is recognized when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

The Company has elected to apply the input method. The Company considers that the use of input method, which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned.

Sale of property

Revenue from sale of land, condominiums, shops / counters and villas is recognized at point in time- when the control has been transferred to the customer. The control is usually transferred when possession is handed over to the customer.

Display of advertisements

Advertisement income is received by the Company against available space in company's property provided to the customer for advertisement purpose. Income from display of advertisements is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company as the Company performs.

Service charges

Service charges are recognized in the accounting period in which services are rendered. Service income in respect of security, janitorial maintenance, administration and other utilities is presented on net basis.

6.15.2 Other revenue

Rental income from lease of investment property

Rental income arising from operating leases on investment properties is charged based on area lease out and recognized, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

6.16 Financial instruments

6.16.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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6.16.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ('FVOCI') – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets at amortized cost.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

6.16.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

6.16.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.16.5 Impairment

The Company recognizes loss allowances for Expected Credit Losses ("ECLs") in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6.17 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or

6.18 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

6.19 Dividend

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which it is declared by the Company's shareholders.

6.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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	2021 --- (Rupees in thousand) ---	2020	2021 --- (Number of Shares) ---	2020
7 Share capital and reserves				
7.1 Authorised capital				
Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
7.2 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	<u>771,721</u> <u>2,788,766</u>	<u>771,721</u> <u>2,788,766</u>	<u>77,172,088</u> <u>278,876,604</u>	<u>77,172,088</u> <u>278,876,604</u>
7.3 Ordinary shares of the Company held by associated undertakings are as follows:				
	Basis of Relationship		2021 --- (Number of Shares) ---	2020
First Capital Securities Corporation Limited	Common Directorship	7,504,915	7,504,915	
First Capital Equities Limited	Common Directorship	<u>7,600,000</u>	<u>7,600,000</u>	
		<u>15,104,915</u>	<u>15,104,915</u>	
7.4 There has been no movement in ordinary share capital issued, subscribed and paid-up during the year ended 30 June 2021.				
		2021 --- (Rupees in thousand) ---	2020	
7.5 Share premium				
Share premium reserve		<u>273,265</u>	<u>273,265</u>	
This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.				

Pace (Pakistan) Limited
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	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
8 Long term finances - secured			
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>

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

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:

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
As at beginning of the year		66,860	58,168
Unwinding of notional interest		-	3,556
Adjustment on account of default	8.1.2.1	-	5,136
As at end of the year		<u>66,860</u>	<u>66,860</u>

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.

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8.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly installment was due on 01 January 2020. Company made a default in repayment of the installment and no repayment was made till 30 June 2021. 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".

8.2 Syndicate term finance facility

In the preceding years, the Company settled the principal and accrued mark up of the below mentioned facilities with properties at Pace Tower:

8.2.1 National Bank of Pakistan

On 04 December 2015 National Bank of Pakistan ('NBP') and the Company entered into the Debt Asset Swap / Liabilities Settlement Agreement ('SA') for full and final settlement of NBP's portion of Syndicate Term Finance Facility ('STFF') and Term finance along with their accrued mark-up aggregating to Rs. 398.71 million against property situated at upper ground floor, mezzanine floor and basement of Pace Tower measuring 18,525 square feet. According to clause F of the SA, NBP purchased the aforementioned properties of Rs. 332.11 million and waived accrued mark-up of Rs. 66.60 million. Pursuant to the SA, on 30 December 2015 the Company and NBP executed sale deed, wherein the area was enhanced to 20,800 square feet against relaxation of certain condition under SA and possession of the property was handed over to NBP. The Company and NBP also agreed that NBP will continue to hold its charge on Pace Tower except for the podium level and later it will take over charge being vacated by PAIR Investment Company Limited as a

8.2.2 Habib Bank Limited

On 16 December 2015 Habib Bank Limited ('HBL') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of HBL's portion of Syndicated Term Finance Facility ('STFF') along with the accrued mark-up aggregating to Rs. 178.81 million against property situated at ground floor of Pace Tower and third floor of Pace Model Town (extension) measuring 4,238 square feet and 431 square feet respectively. In accordance with the SA, HBL purchased the aforementioned properties from the Company for a consideration of Rs. 106.89 million and waived accrued mark-up of Rs. 71.91 million. Pursuant to the SA, on 30 December 2015, the Company and HBL executed sale deed and possession of the properties was handed over to HBL. The Company and HBL also agreed that HBL will continue to hold its charge over 21 floors i.e. from 1st to 21st floors in Pace Tower until the finishing work on aforementioned property in Pace Tower is complete.

8.2.3 National Bank of Pakistan - term finance

During the year ended 30 June 2016, NBP and the Company settled the entire principal and accrued mark-up together with its portion of Syndicated Term Finance Facility against property situated at Pace Tower.

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8.2.4 Al Baraka Bank (Pakistan) Limited - musharika based agreement

On 28 December 2015, Al Baraka Bank (Pakistan) Limited ('ABBPL') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with the accrued mark-up aggregating to Rs.398.56 million against property situated at first floor of Pace Tower measuring 17,950 square feet. In accordance with the SA, ABBPL purchased the aforementioned properties from the Company for a consideration of Rs.242.29 million and waived accrued mark-up of Rs.156.27 million. Pursuant to the SA, on 30 December 2015, the Company and ABBPL executed sale deed and possession of the property was handed over to ABBPL. The Company and ABBPL also agreed that ABBPL will continue to hold its charge over Pace Tower up till completion certificate has been procured from Lahore Development Authority.

	Note	2021 --- (Rupees in thousand) ---	2020
9 Redeemable capital - secured (non-participatory)			
Term finance certificates	9.1	935,571	935,571
Less: Current maturity presented under current liabilities		(935,571)	(935,571)
		<u>-</u>	<u>-</u>

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% (2020: 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 last year, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to appraise 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 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 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 ..

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

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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.

9.2 Settlement with Askari Bank Limited

On 07 February 2018, Askari Bank Limited ('Bank') and the Company entered into Debt Asset Swap Agreement for full and final settlement of outstanding amount of TFCs along with their accrued mark-up against fifth and sixth floor of Pace Tower measuring 14,903 square feet and 6,731 square feet respectively. In accordance with the terms of the agreement, the Bank purchased the aforementioned floors for Rs. 185.93 million as full and final settlement. Furthermore, the Bank provided financial relief of suspended mark-up amounting to Rs. 89.29 million along with future mark-up upon completion of certain terms and conditions on or before 30 June 2019. The terms and conditions of the agreement have not been complied with, consequently, the impact of financial relief has not been accounted for in the financial statements.

9.3 Settlement with Bank of Khyber

On 20 December 2019, Bank of Khyber ('Bank') and the Company entered into Debt Asset Swap Agreement for full and final settlement of outstanding amount of TFCs along with their accrued mark-up against 13th floor of Pace Tower measuring 8,000 square feet. In accordance with the terms of the agreement, the Bank purchased the aforementioned floor for Rs. 116.80 million as full and final settlement. Furthermore, the Bank provided financial relief of suspended mark-up along with future mark-up upon completion of certain terms and conditions. However, as at the reporting date, the Company has not handed over possession of the underlying floor and accordingly, reported balance of TFCs include principal amount along with accrued mark-up.

10 Lease liability

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Present value of lease payments	10.1	180,043	179,330
Less: Current portion shown under current liabilities		(43,172)	(42,758)
		136,871	136,572

Movement during the year is as follows:

Opening balance as at 01 July	179,330	164,728
Additions during the year	-	11,089
Unwinding of notional interest	23,475	22,390
Reclassified to accrued liabilities	(7,513)	(11,819)
Lease rentals paid	(15,249)	(7,058)
Closing balance as at 30 June	180,043	179,330

10.1 On 17 October 2018, Orix Leasing Company ('plaintiff') has filed a case in Banking Court VII against the Pace (Pakistan) Limited ('the Company'). The plaintiff filed a suit claiming an amount of Rs. 47.10 million on account of loss in business of the plaintiff. The amount claimed by the plaintiff has already been booked in these financial statements. However the legal advisor of the Company is confident that there are meritorious grounds to defend the claim.

Pace (Pakistan) Limited
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		2021	2020
	<i>Note</i>	--- (Rupees in thousand) ---	
11 Foreign currency convertible bonds - unsecured			
Opening balance		2,895,217	2,805,535
Mark-up accrued during the year		24,822	24,873
		2,920,039	2,830,408
Exchange (gain)/ loss for the year	<i>11.2</i>	(156,012)	64,809
		2,764,027	2,895,217
Less: Current portion shown under current liabilities		(2,764,027)	(2,895,217)
		-	-

11.1 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 30 June 2021, 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

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 accreted mark-up.

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

12 Deferred liabilities

		2021	2020
	<i>Note</i>	--- (Rupees in thousand) ---	
Staff gratuity	<i>12.1</i>	42,924	42,889
Leave encashment	<i>12.2</i>	1,608	3,045
		44,532	45,934

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		2021	2020
	Note	--- (Rupees in thousand) ---	
12.1 Staff gratuity			
Balance as at 01 July		42,889	42,871
<i>Included in statement of profit or loss:</i>			
Service cost		6,916	11,178
Interest cost		3,331	5,553
		10,247	16,731
<i>Included in statement of comprehensive income:</i>			
Remeasurements:			
Actuarial loss from changes in financial assumptions		142	(597)
Experience adjustments		(2,945)	(8,315)
		(2,803)	(8,912)
<i>Other:</i>			
Benefits due but not paid (payable)		(7,409)	(6,823)
Benefits paid		-	(978)
		(7,409)	(7,801)
Balance as at 30 June		42,924	42,889
Charge for the year has been allocated as follows:			
Cost of revenue	31.3	4,099	6,692
Administrative and selling expenses	32	6,148	10,039
		10,247	16,731

Plan Assets

The Company is operating an unfunded gratuity scheme and has not invested any amount for meeting the liabilities of the scheme.

		2021	2020
	Note	--- (Rupees in thousand) ---	
12.2 Leave encashment			
Balance as at 01 July		3,045	3,033
<i>Included in statement of profit or loss:</i>			
Service cost		27	620
Experience adjustments		(1,723)	(332)
Interest cost		259	385
		(1,437)	673
<i>Included in statement of comprehensive income:</i>			
Remeasurements:			
Actuarial loss from changes in financial assumptions		-	-
Experience adjustments		-	-
		-	-
<i>Other:</i>			
Benefits due but not paid (payable)		-	(288)
Benefits paid		-	(373)
		-	(661)
Balance as at 30 June		1,608	3,045

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Charge for the year has been allocated to administrative and selling expenses.

Plan Assets

The Company has not invested any amount for meeting the liabilities of the scheme.

12.3 Actuarial assumptions

	2021		2020	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate used for year end obligations	10%	10%	8.50%	8.50%
Expected rate of growth per annum in future salaries	9%	9%	7.50%	7.50%
Expected mortality rate	SLIC (2001-2005) Setback 1 Year			
Weighted average duration of defined benefit plan	5 Years	6 Years	5 Years	5 Years
Average number of leaves accumulated per annum by employees	-	5 days	-	5 days
Average number of leaves utilised per annum by employees	-	15 days	-	15 days
Retirement age	Age 60	Age 60	Age 60	Age 60

12.4 The Company expects to charge Rs. 10.02 million to the unconsolidated statement of profit or loss on account of gratuity in the year ending 30 June 2022.

12.5 Sensitivity Analysis

	2021		2020	
	Gratuity	Leave encashment	Gratuity	Leave encashment
	--- (Rupees in thousand) ---			
Year end sensitivity on defined benefit obligation:				
Discount rate + 100 bps	40,942	1,517	40,684	2,897
Discount rate - 100 bps	45,172	1,709	45,391	3,214
Salary increase + 100 bps	45,250	1,705	45,564	3,207
Salary increase - 100 bps	40,836	1,520	40,564	2,901

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

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12.6 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

13 Contract liability

This principally represents advances received from various parties against sale of apartments and houses in Pace Tower project, Lahore and its breakup is as follows:

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
MCB Bank Limited		31,269	31,755
First Capital Investment Limited - related party		16,020	16,020
First Capital Securities Corporation Limited - related party		45,887	45,887
First Capital Equities Limited - related party		61,969	63,825
Pace Barka Properties Limited - related party		84,375	-
Others		106,735	70,769
		346,255	228,256

14 Current maturity of long term liabilities

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Long term finances - secured	8	66,860	66,860
Redeemable capital - secured (non-participatory)	9	935,571	935,571
Lease liability	10	43,172	42,758
Foreign currency convertible bonds - unsecured	11	2,764,027	2,895,217
		3,809,630	3,940,406

15 Creditors, accrued and other liabilities

Trade creditors	15.1	212,706	264,511
Provisions and accrued liabilities		243,249	222,925
Payable to statutory bodies		102,071	141,117
Advance against sale of investment property		-	84,000
Security deposits	15.2	57,065	51,818
Rentals against investment property received in advance		18,816	9,743
Retention money		5,461	5,661
Payable to contractors		2,699	2,699
Others	15.3	88,723	62,661
		730,790	845,135

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- 15.1** This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (2020: Rs. 0.09 million) under normal course of business and are interest free.
- 15.2** These represent security deposits received against rent of shops rented out in the plazas. None of these amounts is utilizable for Company or other purpose. The Company has not kept this amount in a separate bank account. The Company is in process of ensuring compliance with the requirement of section 217 of the Companies Act, 2017.
- 15.3** This includes payables to related parties under normal course of business and are interest free.

Related Party	Relationship	2021	2020
		--- (Rupees in thousand) ---	
First Capital Equities Limited	Common Directorship	1,070	1,070
		<u>1,070</u>	<u>1,070</u>

16 Accrued finance cost

Long term finances - secured	6,172	-
Redeemable capital - secured (non-participatory)	1,243,588	1,148,419
Lease liability	<u>41,352</u>	<u>40,639</u>
	<u>1,291,112</u>	<u>1,189,058</u>

17 Contingencies and commitments

17.1 Contingencies

- 17.1.1** Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (2020: Rs.21.64 million).

- 17.1.2** 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.

- 17.1.3** 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

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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.

17.2 Commitments

17.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Rs. 26.27 million (2020: Rs. 101.28 million).

17.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (2020: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

	2021	2020
Note	--- (Rupees in thousand) ---	

18 Property, plant and equipment

Operating fixed assets	18.1	417,352	440,226
Capital work in progress	18.2	34,873	31,740
Right-of-use assets	18.3	118,382	129,298
		<u>570,607</u>	<u>601,264</u>

18.1 Operating fixed assets

	Freehold land *	Leasehold land **	Buildings on freehold land	Buildings on leasehold land ***	Plant and machinery	Electrical equipment	Office equipment and appliances	Furniture and fixtures	Computers	Vehicles	Total
	(Rupees in thousand)										
Net carrying value basis											
Year ended 30 June 2021											
Opening net book value	155,152	-	92,633	43,293	18,296	114,366	2,110	2,847	141	11,388	440,226
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(4,632)	(2,154)	(1,830)	(11,437)	(211)	(285)	(47)	(2,278)	(22,874)
Closing net book value	155,152	-	88,001	41,139	16,466	102,929	1,899	2,562	94	9,110	417,352
Gross carrying value basis											
As at June 2021											
Cost	155,152	-	179,469	179,122	85,795	192,588	11,683	11,801	10,087	58,371	884,068
Accumulated depreciation	-	-	(91,468)	(137,983)	(69,328)	(89,659)	(9,783)	(9,240)	(9,994)	(49,261)	(466,716)
Net book value	155,152	-	88,001	41,139	16,467	102,929	1,900	2,561	93	9,110	417,352
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis											
Year ended 30 June 2020											
Opening net book value	155,152	-	97,509	48,721	20,328	100,685	2,345	3,163	210	11,544	439,657
Additions (at cost)	-	-	-	-	-	25,000	-	-	-	3,950	28,950
Disposals	-	-	-	-	-	-	-	-	-	(1,224)	(1,224)
Depreciation charge	-	-	(4,876)	(5,428)	(2,032)	(11,319)	(235)	(316)	(69)	(2,882)	(27,157)
Closing net book value	155,152	-	92,633	43,293	18,296	114,366	2,110	2,847	141	11,388	440,226
Gross carrying value basis											
As at June 2020											
Cost	155,152	-	179,469	179,122	85,795	192,588	11,683	11,801	10,087	58,371	884,068
Accumulated depreciation	-	-	(86,836)	(135,829)	(67,498)	(78,222)	(9,572)	(8,955)	(9,947)	(46,983)	(443,842)
Net book value	155,152	-	92,633	43,293	18,297	114,366	2,111	2,846	140	11,388	440,226
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	

* Freehold land represents the uncovered area of Main Boulevard Project, M.M Alam Road Project, Model Town Link Road Project, Gujranwala Project, Gujrat Project and Woodland Project which is not saleable in the ordinary course of business.

** Leasehold land represents a piece of land transferred in the name of the Company by the Ministry of Defence, measuring 20,354 square yards situated at Survey No. 131/A, Airport Road, near Allama Iqbal International Airport, Lahore Cantt. The Company secured the bid for the said piece of land on behalf of Pace Barka Properties Limited (PBPL), an associated undertaking, since at the time of bidding PBPL was in the process of incorporation. Subsequent to the bidding, payment was made by PBPL but the Ministry of Defence refused to transfer the said piece of land in the name of PBPL as it was not the original bidder, therefore the legal ownership has been transferred in the name of the Company. Consequently, to avoid additional transaction costs relating to transfer of legal ownership, the Company has entered into an agreement with PBPL, whereby the possession of the land and its beneficial ownership has been transferred to PBPL through an Irrevocable General Power of Attorney dated 15 May 2007.

*** Building on leasehold land represents 8,227 square feet (2020: 8,227 square feet) relating to 2nd and 3rd floors of Fortress Project, Lahore the right of which has been acquired for 33 years in 2011 from Fortress Stadium management, Lahore Cantt.

Pace (Pakistan) Limited

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18.1.1 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immoveable property	Total area (Acres)	*Covered area (Square feet)
38,38/A,39, Block P, Model Town Link Road, Lahore	Shopping plaza	92,184	70,152
40, Block P, Model Town Link Road, Lahore	Shopping plaza	40,755	21,933
Bridge Point Plaza, Fortress Stadium, Lahore Cantt.	Shopping plaza	32,081	24,431
96-B-I, M.M Alam Road, Gulberg - III, Lahore	Shopping plaza	85,054	66,942
Mouza Dhola Zarri, Main GT Road Gujranwala	Shopping plaza	74,824	53,602
Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat	Shopping plaza	112,347	85,347
124/E-1 Main Boulevard Gulberg III Lahore	Shopping plaza	115,833	81,601
Bedian Road, Lahore	Management office	7,875	-

The buildings on freehold land and other immovable assets of the Company are constructed / located at above mentioned freehold land.

*The covered area includes multi-storey buildings.

18.1.2 The Company has not made disposals of operating fixed assets with aggregate book value exceeding five million rupees.

18.1.3 Operating fixed assets include a vehicle, having cost of Rs. 1.39 million (2020: Rs. 1.39 million), which is fully depreciated but still in use as at 30 June 2021.

18.2 This represents Rs. 31.11 million related to the third floor of Pace Tower, covering an area of 5,625 square feet and Rs. 3.76 million related to M.M Alam plaza lower ground floor covering an area of 6,000 square feet, both of which are under construction and are to be held for use.

Pace (Pakistan) Limited
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	Note	2021 --- (Rupees in thousand) ---	2020
18.3 Right-of-use assets			
Land			
<i>Cost</i>			
Balance as at 01 July		119,496	-
Adjustment on initial application of IFRS 16		-	119,496
Adjusted balance at 01 July		119,496	119,496
Additions / (deletions) during the year		-	-
Balance as at 30 June		119,496	119,496
<i>Accumulated depreciation</i>			
Balance as at 01 July		(4,770)	-
Depreciation charge during the year		(4,780)	(4,770)
Balance as at 30 June		(9,550)	(4,770)
Closing net book value		109,946	114,726
Rate of depreciation		4%	4%
Electrical equipment			
<i>Cost</i>			
Balance as at 01 July		15,339	-
Additions / (deletions) during the year		-	15,339
Balance as at 30 June		15,339	15,339
<i>Accumulated depreciation</i>			
Balance as at 01 July		(767)	-
Depreciation charge during the year		(6,136)	(767)
Balance as at 30 June		(6,903)	(767)
Closing net book value		8,436	14,572
Rate of depreciation	18.3.1	40%	10%

18.3.1 Electrical equipemt was obtained on finance lease during the previous financial year on January 01, 2020 with an estimated useful life of 3 years (lease tenure). The useful life for calculating depreciation was erroneously estimated at 10 years. During this years, the depreciation rate was adjusted prospectively (as per IAS-08 *Accounting Policies: Changes in Accounting Estimates and Errors*) so that the ROU asset can be depreciated correctly over the remaining useful life.

18.4 Depreciation charge for the year has been allocated as follows:

Cost of revenue	31.3	27,481	22,766
Administrative and selling expenses	32	6,309	9,928
		33,790	32,694

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2021 2020
--- (Rupees in thousand) ---

Note

19 Intangible assets

Optical fiber	3,209	3,685
Computer software	291	323
	3,500	4,008

19.1 Optical fiber - Royalty

Cost	9,508	9,508
<i>Accumulated amortisation</i>		
As at 01 July	5,823	5,347
Amortisation for the year	476	476
Balance as at 30 June	6,299	5,823
Book value as at 30 June	3,209	3,685
<i>Rate of amortisation</i>	5%	5%

19.2 Computer software

Cost	2,878	2,878
<i>Accumulated amortisation</i>		
As at 01 July	2,555	2,520
Amortisation for the year	32	35
Balance as at 30 June	2,587	2,555
Book value as at 30 June	291	323
<i>Rate of amortisation</i>	10%	10%

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Cost		Fair value	
2021	2020	2021	2020
--- (Rupees in thousand) ---			

20 Investment property

Balance as at 01 July	757,368	730,182	1,745,251	1,668,741
Recognition of right-of-use assets on initial application of IFRS 16	-	27,186	-	27,186
Fair value gain on initial recognition of right-of-use assets	-	-	-	38,426
Adjusted balance as at 01 July	757,368	757,368	1,745,251	1,734,353
Fair value gain recorded in statement of profit or loss	-	-	5,913	10,898
Disposal during the year	(199,457)	-	(283,550)	-
As at 30 June	557,911	757,368	1,467,614	1,745,251

20.1 The forced sale value of investment property excluding right-of-use asset amounts to Rs. 1,316.37 million (2020: Rs. 1,410.59 million).

Investment properties represent Company's interest in land and buildings situated at Model Town Lahore, Gulberg Lahore, Gujranwala and Gujrat. On initial application of IFRS 16, the Company recognised right-of-use asset arising as a result of head lease of shops / apartments situated at 4th floor of Model Town Lahore and 3rd and 4th floor of M.M Alam. The Company has sub-leased the aforementioned properties and right-of-use asset arising from head lease has been classified as investment property.

These are either leased to third parties or held for value appreciation. Changes in fair values are recognised and presented separately as "Gain / (loss) from change in fair value of investment property" in the statement of profit or loss.

20.1.1 Fair Value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer KG Traders, having appropriate recognised professional qualifications. The independent valuers provide the fair value of the Company's investment property portfolio annually. Latest valuation of these assets was carried out on 30 June 2021. The level 2 fair value of freehold land has been derived using the sales comparison approach. Level 3 fair value of Buildings has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of right-of-use assets has been determined using discounted cashflow method, whereby appropriate discount rate has been adjusted to arrive at the fair value.

The following is categorization of assets measured at fair value at 30 June 2021:

	Level 1	Level 2	Level 3	Total
	--- (Rupees in thousand) ---			
Freehold land	-	-	-	-
Buildings	-	-	1,548,660	1,548,660
Right-of-use assets	-	-	67,502	67,502
	-	-	1,616,162	1,616,162

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The following is categorization of assets measured at fair value at 30 June 2020:

	Level 1	Level 2 --- (Rupees in thousand) ---	Level 3	Total
Freehold land	-	137,015	-	137,015
Buildings	-	-	1,522,498	1,522,498
Right-of-use assets	-	-	85,738	85,738
	<u>-</u>	<u>137,015</u>	<u>1,608,236</u>	<u>1,745,251</u>

Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer fair value hierarchy for the valuation techniques

Description	Significant inputs	Unobservable	Quantitative data / range and relationship to the fair value
Buildings	Cost of construction of a new similar building Suitable depreciation rate to arrive at depreciated replacement value		The market value has been determined by using a depreciation of approximately 5%-10% on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Right-of-use asset	Discount rate being used to discount the future cashflows.		The estimated fair value will increase / (decrease) if discounting rates were lower / (higher)

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21 Lease Receivable

- 21.1** The Company has entered into a lease agreement as a lessor. Implicit Interest rate is 10% per annum. Installment of Rs. 422,400 monthly which will be increased by 25% upon completion of every three years.

21.2 Maturity Analysis-- Contractual undiscounted cash flows

Lease payments receivable	Rupees
1 - 3 years	15,840,000
4 - 6 years	19,800,000
7 - 9 years	24,750,000
10 - 12 years	30,937,500
13 - 15 years	38,671,875
More than 15 years	375,657,569
	505,656,944

2021 2020
--- (Rupees in thousand) ---

21.3 Reconciliation

Total lease receivable	505,657	-
Less: Unearned finance income	(401,562)	-
Net investment in lease	104,095	-

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	Note	2021 --- (Rupees in thousand) ---	2020
22 Long term investments			
Equity instruments of:			
- subsidiaries - unquoted	22.1	91,670	91,670
- associated undertakings - unquoted	22.2	758,651	758,651
Total revenue		850,321	850,321
22.1 Subsidiaries - unquoted			
<u>Pace Woodlands (Private) Limited</u>			
3,000 (2020: 3,000) fully paid ordinary shares of Rs.10 each		30	30
Equity held 52% (2020: 52%)			
<u>Pace Super Mall (Private) Limited</u>			
9,161,528 (2020: 9,161,528) fully paid ordinary shares of Rs.10 each		91,615	91,615
Equity held 57% (2020: 57%)			
<u>Pace Gujrat (Private) Limited</u>			
2,450 (2020: 2,450) fully paid ordinary shares of Rs.10 each		25	25
Equity held 100% (2020: 100%)			
		91,670	91,670
22.2 Associate Undertakings- unquoted			
<u>Pace Barka Properties Limited</u>			
75,875,000 (2020: 75,875,000) fully paid ordinary shares of Rs. 10 each			
Equity held: 24.86% (2020: 24.86%)		758,651	758,651

23 Long term advances and deposits

These are in the ordinary course of business and are interest free advances and deposits.

Pace (Pakistan) Limited

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24 Deferred taxation

The liability / (asset) for deferred taxation comprises temporary differences relating to:

		2021	2020
	Note	--- (Rupees in thousand) ---	
Accelerated tax depreciation		204,288	195,954
Right-of-use assets and lease liability		37,657	(22,912)
Employee retirement benefits		(3,438)	(13,321)
Provision for net realisable value		(9,569)	(9,569)
Provision for doubtful receivables		(85,756)	(78,103)
Deferred cost		-	(64)
Unused tax losses		(143,182)	(71,985)
		<u>-</u>	<u>-</u>

The Company has not recognised deferred tax assets of Rs. 161.33 million (2020: Rs. 233.65 million) in respect of tax losses, Rs. 146.56 million (2020: Rs. 146.56 million) in respect of unrealised exchange loss and Rs.90.12 million (2020: Rs. 90.12 million) in respect of minimum tax paid available for carry forward under section 113 and 113C of the Income Tax Ordinance, 2001, as sufficient taxable profits would not be available to set these off in the foreseeable future. Minimum tax paid under section 113 of Income Tax Ordinance, 2001 amounting to Rs.4.16 million, Rs.4.25 million, Rs.9.22 million and Rs. 3.06 million which will lapse in the year 2021, 2022, 2023 and 2024 respectively. Alternate Corporate Tax ('ACT') paid under section 113 C of Income Tax Ordinance, 2001 aggregating to Rs.51.06 million and Rs.16.05 million will lapse in the year 2026 and 2027, respectively. Tax losses amounting to Rs. 15.68 million and Rs.72.71 million will expire in year 2025 and 2026, respectively.

25 Stock-in-trade

		2021	2020
	Note	--- (Rupees in thousand) ---	
Land not under development	25.1	21,600	21,600
Land purchased for resale	25.2	930,765	930,765
Work in progress			
Pace Tower	25.3	725,051	626,269
Pace Circle	25.4	776,187	699,140
Completed units - shops		<u>542,244</u>	<u>542,244</u>
		2,995,847	2,820,018
Stores inventory		<u>1,434</u>	<u>1,161</u>
		<u>2,997,281</u>	<u>2,821,179</u>

25.1 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.

25.2 This represents plot purchased for resale purposes amounting to Rs. 930.77 (2020: Rs. 930.77 million).

25.3 Included in work in progress are borrowing costs of Rs. 101 million (2020: Rs. 101 million).

25.4 Pace Circle is a project carried by Pace Barka (Private) Limited (an associated company). The project is under construction as at year end and the Company has realized the cumulative payments made till the year end as its inventory while remaining amount is shown in commitments note. The payments made during the year amounted to Rs. 75.01 million and has been made part of inventory.

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	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
26 Trade debts			
<i>Secured</i>			
Considered good	26.1	530,062	506,964
Unsecured		280,888	269,321
		810,950	776,285
Less: Impairment allowance		(295,709)	(269,321)
		515,241	506,964

26.1 This includes the following amounts due from related parties:

Rema & Shehrbano	4,401	1,595
First Capital Investment Limited & First Capital Mutual Fund	4,580	1,847
First Capital Equities Limited	3,619	2,238
First Capital Securities Corporation Limited	6,681	6,881
Connatural Cosmetics	127	494
	19,408	13,055

26.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 19.41 million (2020: Rs. 13.04 million).

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
27 Advances, deposits, prepayments and other receivables			
Advances - considered good:			
- to employees	27.1	15,528	17,155
- to suppliers	27.2	12,493	91,956
Advance against purchase of property	27.3	255,784	251,281
Security deposits	27.4	12,285	12,285
Others - considered good	27.5	42,598	20,589
		338,688	393,266

27.1 Advances to employees include advances against salary and gratuity, repayable within one year and at the time of final settlement, respectively. This includes Rs. 3.84 million (2020: Rs. 2.80 million) advance given to executive employee of the Company.

27.2 This includes the following amounts due from related parties:

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Ever Green Water Valley (Private) Limited		-	74,988
World Press (Private) Limited		447	447
		447	75,435

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27.2.1 The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 80.79 million (2020: Rs. 99.65 million)

27.3 The amount reflects advance paid against the purchase of 4.9 kanal plot at Shadman, Lahore from a related party Evergreen Water Valley (Private) Limited. The maximum aggregate advance given to this related party at the end of any month was Rs. 255.78 million (2020: Rs. 251.28 million).

27.4 This includes security deposit paid to Orix Leasing Pakistan Limited amounting to Rs. 11.50 million against assets acquired under lease. The amount is under dispute and management expects to recover the amount in full.

27.5 This includes rent receivable from a related party 'Media Times Pvt. Limited' amounting to Rs. 12.24 million (2020: Rs. 18.60 million). The amount also includes impairment allowance of Nil (2020: Rs. 19.42 million) recognised in the current year.

	Note	2021 --- (Rupees in thousand) ---	2020
28 Income tax refundable - net			
Income tax refundable	28.1	35,005	124,406
Provision for taxation - current		(3,062)	(100,561)
		31,943	23,845

28.1 This represents mainly withholding tax deducted from profit on bank deposits and rental income from property and advance tax paid on electricity bills under Section 151, 152 and 235, respectively of the Income Tax Ordinance, 2001.

	Note	2021 --- (Rupees in thousand) ---	2020
29 Cash and bank balances			
Cash in hand		179	218
Cash at banks			
- Current accounts	29.1	18,484	22,358
- Saving accounts	29.2	1,580	549
		20,064	22,907
		20,243	23,125

29.1 This includes Rs. 17 million (2020: Rs. 20 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

29.2 This carries profit at the rates ranging from 3% to 6% (2020: 4% to 8%) per annum.

Pace (Pakistan) Limited
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	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
30 Revenue			
Development services	30.1	2,342	82,336
Display of advertisements		37,832	24,504
Service charges - <i>net</i>	30.2	144,987	90,444
Revenue from contract with customers		185,161	197,284
Other revenue			
Rental income from lease of investment property		28,863	46,840
Total revenue		214,024	244,124

30.1 Development services recognised at percentage of completion basis

Revenue recognised to date	1,664,510	1,662,168
Aggregate cost incurred to date	(1,411,494)	(1,407,829)
Recognised profit to date	253,016	254,339

The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the year is Rs. 2.34 million (2020: Rs. 82.34 million).

30.2 Services charges - *net*

The breakup of costs against service income recorded during the year is as follows

	<i>Note</i>	2021 --- (Rupees in thousand) ---	2020
Insurance		-	798
Fuel and power		68,999	86,626
Janitorial and security charges		7,714	8,371
		76,713	95,795

30.3 Disaggregation of revenue

<i>Timing of revenue recognition</i>			
Over time		185,161	197,284

Pace (Pakistan) Limited

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30.4 Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Note	2021 --- (Rupees in thousand) ---	2020
Receivables, which are included in trade debts	26	810,950	676,306
Contract liability	30.4.1 & 13	<u>346,255</u>	<u>228,256</u>

30.4.1 The contract liabilities primarily relate to the advance consideration received from customers against sale of properties and development services.

Note	2021 --- (Rupees in thousand) ---	2020
------	--------------------------------------	------

31 Cost of revenue

Shops and commercial buildings sold			
- at percentage of completion basis	31.1	3,665	50,772
- at completion of project basis	31.2	-	-
Write down value to inventory to net realisable value		-	9,829
Stores operating expenses	31.3	<u>72,096</u>	<u>117,073</u>
		<u>75,761</u>	<u>177,674</u>

31.1 Shops / apartments and commercial buildings sold at percentage of completion basis

Opening work in progress (Pace Tower)	626,269	600,317
Opening work in progress (Pace Circle)	699,140	687,054
Purchase of inventory	75,047	58,273
Project development costs	104,447	-
Closing work in progress (Pace Tower)	(725,051)	(626,269)
Closing work in progress (Pace Circle)	(776,187)	(699,140)
	<u>3,665</u>	<u>20,235</u>

31.2 Shops / apartments and commercial buildings sold at completion of project basis

Opening inventory of shops and houses	1,473,009	1,480,518
Purchase during the year	-	-
Write down of inventory to net realisable value	-	(7,509)
Closing inventory of shops	(542,244)	(542,244)
Closing inventory of land	(930,765)	(930,765)
	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

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	Note	2021 --- (Rupees in thousand) ---	2020
31.3 Stores operating expenses			
Salaries, wages and benefits	31.3.1	26,303	43,012
Rent, rates and taxes		8,952	30
Depreciation on owned assets	18.4	16,565	17,229
Depreciation on right-of-use assets	18.4	10,916	5,537
Repairs and maintenance		9,017	10,162
Others		343	41,103
		<u>72,096</u>	<u>117,073</u>

31.3.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment:

Current service cost	2,777	4,719
Interest cost	747	2,242
	<u>3,524</u>	<u>6,961</u>

32 Administrative and selling expenses

Salaries, wages and benefits	32.1	57,291	60,772
Travelling and conveyance		2,430	4,968
Rent, rates and taxes		5,653	-
Insurance		-	489
Printing and stationery		490	368
Repairs and maintenance		18,432	4,420
Motor vehicles running		1,801	1,530
Communications		883	3,091
Advertising and sales promotion		6,000	353
Depreciation on owned assets	18.4	6,309	9,928
Amortisation on intangible assets	19	508	511
Auditors' remuneration	32.2	3,842	3,842
Legal and professional		7,942	35,597
Commission on sales		8,128	17,177
Office expenses		34,540	18,676
Impairment loss on trade and other receivables		26,388	88,473
Other expenses		5,556	2,069
		<u>186,193</u>	<u>252,264</u>

32.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment

Current service cost	4,166	7,079
Interest cost	1,120	3,364
	<u>5,286</u>	<u>10,443</u>

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2021 2020
 --- (Rupees in thousand) ---

32.2 Auditors' remuneration

The charges for auditors' remuneration includes the following in respect of auditors' services for:

Statutory audit	2,200	2,200
Half yearly review	770	770
Audit of consolidated financial statements	220	220
Statutory certification	110	110
Out of pocket expenses	542	542
	3,842	3,842

33 Other income

Income from financial assets

Mark-up on bank accounts		98	100
Commission on guarantee	33.1	1,238	1,238
Finance Income from Lease Receivable		4,894	-

Income from non-financial assets

Gain on sale of property, plant and equipment		-	988
---	--	---	-----

Others

Gain on settlement of loans		-	32,074
Income from parking and storage		6,523	6,018
Miscellaneous Income		3,655	1,729
Others		6,668	1,190
Liabilities Written-back		8,881	-
		31,957	43,337

33.1 This represents commission income on guarantee provided on behalf of Pace Barka Properties Limited, an associate.

34 Finance cost

Interest and mark-up on:

- Long term finances - secured		6,172	1,279
- Foreign currency convertible bonds - unsecured		24,822	24,873
- Redeemable capital - secured (non-participatory)		95,168	145,521
- Interest expense on unwinding of Pak Iran Joint Investment Company		-	8,693
- Notional interest on lease liability		7,980	17,833
		134,142	198,199

Liquidated damages due to default of Pak Iran loan		-	5,570
Bank charges and processing fee		147	1,690
		134,289	205,459

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	2021	2020
<i>Note</i>	--- (Rupees in thousand) ---	
35 Taxation		
Income Tax		
- <i>Current Year</i>	3,062	3,051

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2020: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

35.1 Numerical reconciliation between the average effective tax rate and the applicable tax rate.

	2021	2020
	%	%
Loss before taxation	(43,260)	(394,828)
Average effective tax rate	(0.70)	0.77
Applicable tax rate	29.00	29.00
Tax effect of amounts that are:		
Non deductible expenses	-	(4.15)
Income not chargeable to tax	(1.53)	(9.57)
Minimum tax u/s 113 for the year	(0.77)	0.77
Current year losses for which no deferred tax asset is recognised	(27.40)	(15.28)
	(29.70)	(28.23)
Average effective tax rate	(0.70)	0.77

For the purposes of current taxation, the tax losses available for carry forward as at 30 June 2021 are estimated approximately at Rs. 556.32 million (2020: Rs. 805.68 million).

36 Earning/ (Loss) per share - basic and diluted

The calculation of basic and diluted loss per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. There are no dilutive potential ordinary shares outstanding as at 30 June 2021 (2020: Nil).

	2021	2020
<i>Note</i>	--- (Rupees in thousand) ---	
Profit/ (Loss) for the year	(46,322)	(397,879)
Weighted average number of ordinary shares outstanding during the year	278,877	278,877

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

	Note	2021 --- (Rupees in thousand) ---	2020
37 Cash (used in) / generated from operations			
Profit/ (Loss) before tax		(43,260)	(394,828)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	11.2	(156,012)	64,809
Provision for gratuity and leave encashment	12.1 & 12.2	8,810	17,404
Depreciation on owned assets	18.4	22,874	27,157
Depreciation on right-of-use assets	18.4	10,916	5,537
Amortisation on intangible assets	19	508	511
Changes in fair value of investment property	20	(5,913)	(49,324)
Impairment loss on trade debts and other receivables		26,388	88,473
Write down of inventory to net realisable value	31.2	-	9,829
Finance costs	34	134,142	198,199
Mark-up income	33	(98)	(100)
Loss/ (Gain) on sale of property, plant and equipment	33	-	(988)
Loss/ (Gain) on sale of investment property		52,825	-
Loss/ (Gain) on settlement of loans	33	-	(32,074)
(Loss) / Gain before working capital changes		51,180	(65,395)
<i>Effect on cash flow due to working capital changes:</i>			
(Increase)/ Decrease in stock-in-trade		(188,937)	(41,084)
(Increase)/ Decrease in trade debts		(34,665)	(70,705)
(Increase)/ Decrease in advances, deposits and other receivables		54,578	(19,836)
Increase/ (Decrease) in contract liability		117,999	(26,309)
Increase/ (Decrease) in creditors, accrued and other liabilities		(114,345)	150,577
		(165,370)	(7,357)
		(114,190)	(72,752)
38 Cash and cash equivalents			
Cash and bank balances	29	20,243	23,125

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

39 Reconciliation of movement of liabilities to cash flows arising from financing activities

	30 June 2021						
	Equity		Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Long term finances - secured	Redeemable capital - secured (non- participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	--- (Rupees in thousand) ---						
Balance as at 01 July 2020	2,788,766	273,265	66,860	935,571	179,330	2,895,217	1,189,058
<u>Cash flows</u>							
Long term loan paid during the year	-	-	-	-	-	-	-
Repayment of lease rentals	-	-	-	-	(15,249)	-	-
Finance cost paid	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	(15,249)	-	-
<u>Non-cash changes</u>							
Exchange (gain)/ loss	-	-	-	-	-	(156,012)	-
Reclassified to accrued liabilities	-	-	-	-	(7,513)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	23,475	24,822	101,341
Total non-cash changes	-	-	-	-	15,962	(131,190)	101,341
Balance as at 30 June 2021	2,788,766	273,265	66,860	935,571	180,043	2,764,027	1,290,399

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

	30 June 2020						
	Equity		Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Long term finances - secured	Redeemable capital - secured (non-participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	--- (Rupees in thousand) ---						
Balance as at 01 July 2019	2,788,766	273,265	77,211	935,571	18,046	2,805,535	1,077,823
<u>Cash flows</u>							
Long term loan paid during the year	-	-	(19,044)	-	-	-	(3,491)
Repayment of lease rentals	-	-	-	-	(7,058)	-	-
Finance cost paid	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	(19,044)	-	(7,058)	-	(3,491)
<u>Non-cash changes</u>							
Exchange loss	-	-	-	-	-	64,809	-
Waiver of interest - Askari Bank	-	-	-	-	-	-	(12,733)
Waiver of interest - Soneri Bank	-	-	-	-	-	-	(19,341)
Lease liability recognised during the year	-	-	-	-	157,771	-	-
Reclassified to accrued liabilities	-	-	-	-	(11,819)	-	-
Finance cost/unwinding of interest expense	-	-	8,693	-	22,390	24,873	146,800
Total non-cash changes	-	-	8,693	-	168,342	89,682	114,726
Balance as at 30 June 2020	2,788,766	273,265	66,860	935,571	179,330	2,895,217	1,189,058

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

40 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. Amounts due from and due to related parties are shown under respective notes to these unconsolidated financial statements and remuneration of key management personnel is disclosed in note 43. All transactions with related parties have been carried out on mutually agreed terms and conditions. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	2021 --- (Rupees in thousand) ---	2020
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	1,238	1,238
		Shared expenses charged by the Company	1,296	1,401
		Rental income	7,920	2,232
		Receipts against Pace Circle	-	-
		Purchase of inventory	75,047	14,406
First Capital Securities Corporation Limited	Common Directorship	Receipts against sale of investment property	-	-
		Service charges	-	-
First Capital Investment Limited	Common Directorship	Rental income	-	-
		Shared expenses charged by the Company	-	653
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of property, plant and equipment	-	-
		Advance against purchase of land	-	33,665
		Purchase of goods and services	124,857	148,536
		Shared expenses charged by the Company	-	653
First Capital Equities Limited	Common Directorship	Proceed against sales of property other than investment property	-	-
		Rental income	643	643
		Advances received against sale of property other than investment property	-	38,000
		Purchases	-	90
		Shared expenses charged by the Company	-	651
Media Times Limited	Common Directorship	Rental income	2,534	15,562
		Purchase of goods and services	-	3,889
Rema and Shehrbano	Common Directorship	Service charges	1,173	2,396
Connatural	Common Directorship	Service charges	1,127	1,370
Post Employment Benefit Plans	Common Directorship	Gratuity and leave encashment	2,151	2,151

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

41 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.

41.1 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.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

	Note	2021 --- (Rupees in thousand) ---	2020
Long term advances and deposits		13,619	13,619
Trade debts	26	515,241	506,964
Advances, deposits, prepayments and other receivables	27	70,411	50,029
Bank balance	29	20,064	22,907
		<u>619,335</u>	<u>593,519</u>

Trade receivables

All the counterparties are of domestic origin. Ageing of the trade debts is as under:

The ageing of trade debts against properties including related parties at reporting date is as follows:

	2021		2020	
	Gross	Impairment	Gross	Impairment
	--- (Rupees in thousand) ---			
- Past due 0 - 365 days	66,086	-	-	-
- 1 - 2 years	68,778	-	8,728	-
- More than 2 years	380,377	-	498,236	-
	<u>515,241</u>	<u>-</u>	<u>506,964</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

Based on the amount of collateral held, the management believes that no impairment allowance is necessary in respect of unprovided past due amounts pertaining to receivable against properties as there are reasonable grounds to believe that the loss given default will not be material. However, receivable against service charge, display of advertisement and rental income is fully provided for as the management does not expect to recover the amount.

Bank balances

The Company held bank balances of Rs. 20.06 million at 30 June 2020 (2020: Rs. 22.91 million).

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of impairment allowance at 30 June 2021 is Nil. (2020: Nil)

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2021	2020
	Short term	Long term	Agency		
--- (Rupees in thousand) ---					
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	1	23
Allied Bank Limited	A1+	AAA	PACRA	1,307	326
Askari Bank Limited	A1+	AA+	PACRA	7	6
Bank Alfalah Limited	A1+	AA+	PACRA	423	96
Bank Islamic Pakistan Limited	A1	A+	PACRA	11	10
Faysal Bank Limited	A1+	AA	PACRA	185	59
Habib Bank Limited	A1+	AAA	VIS	1	1
MCB Bank Limited	A1+	AAA	PACRA	17,542	22,291
Silk Bank Limited	A2	A	VIS	560	80
Soneri Bank Limited	A1+	AA	PACRA	9	9
United Bank Limited	A1+	AAA	VIS	6	6
				20,052	22,907

41.2 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.

Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments.

	2021				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
--- (Rupees in thousand) ---					
Long term finances - secured	66,860	66,860	66,860	-	-
Redeemable capital - secured (non-participatory)	935,571	935,571	935,571	-	-
Lease liability	180,043	180,043	43,172	34,636	102,235
Foreign currency convertible bonds - unsecured	2,764,027	2,764,027	2,764,027	-	-
Creditors, accrued and other liabilities	730,790	730,790	730,790	-	-
Accrued finance cost	1,291,112	1,291,112	1,291,112	-	-
	5,968,403	5,968,403	5,831,532	34,636	102,235

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

	2020				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
	--- (Rupees in thousand) ---				
Long term finances - secured	66,860	66,860	66,860	-	-
Redeemable capital - secured (non-participatory)	935,571	935,571	935,571	-	-
Lease liability	179,330	778,617	22,762	106,437	649,418
Foreign currency convertible bonds - unsecured	2,895,217	2,895,217	2,895,217	-	-
Creditors, accrued and other liabilities	845,135	845,135	845,135	-	-
Accrued finance cost	1,189,058	1,189,058	1,189,058	-	-
	<u>6,111,171</u>	<u>6,710,458</u>	<u>5,954,603</u>	<u>106,437</u>	<u>649,418</u>

41.3 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.

41.4 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.

The Company is exposed to currency risk arising from primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to foreign currency convertible bonds. The Company's exposure to currency risk was as follows:

	2021	2020
Following is the Company's exposure to currency risk:	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	<u>17,527</u>	<u>17,203</u>

The exchange rate applicable at the reporting date is 157.70 (2020: 168.30)

41.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2021		2020	
		Financial asset	Financial liability	Financial asset	Financial liability
<u>Non-derivative financial - instruments</u>		--- (Rupees in thousand) ---			
Fixed rate instruments					
Long term finances - secured	8	-	66,860	-	-
Foreign currency convertible bonds	11	-	2,764,027	-	2,895,217
Lease liability	10	-	180,043	-	179,330
Cash at bank	29	1,580	-	549	-
Variable rate instruments					
Redeemable capital - secured	9	-	935,571	-	935,571
		1,580	3,946,501	549	4,010,118

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

Profit or loss 100 bps			
2021		2020	
Increase	Decrease	Increase	Decrease
--- (Rupees in thousand) ---			
<u>9,356</u>	<u>(9,356)</u>	<u>9,356</u>	<u>(9,356)</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

41.6 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).

41.7 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. The Company monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents.

	2021	2020
	--- (Rupees in thousand) ---	
Total liabilities	6,359,190	6,385,361
Less: cash and cash equivalents	<u>(20,243)</u>	<u>(23,125)</u>
Net debt	<u>6,338,947</u>	<u>6,362,236</u>
 Total equity	 <u>553,962</u>	 <u>597,481</u>
 Net debt to equity ratio	 <u>11.44</u>	 <u>10.65</u>

Pace (Pakistan) Limited
Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2021

42 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:

		30 June 2021				
		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) ---					
	13,619	-	13,619	-	-	-
	515,241	-	515,241	-	-	-
	70,411	-	70,411	-	-	-
	20,243	-	20,243	-	-	-
42.2	619,514	-	619,514	-	-	-
	-	66,860	66,860	-	-	-
	-	935,571	935,571	-	-	-
	-	180,043	180,043	-	-	-
	-	2,764,027	2,764,027	-	-	-
	-	711,974	711,974	-	-	-
	-	1,291,112	1,291,112	-	-	-
42.2	-	5,949,587	5,949,587	-	-	-

Pace (Pakistan) Limited

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2021

42.1 Fair value measurement of financial instruments

		30 June 2020					
		Carrying amount		Fair value			
	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
<u>30 June 2020</u>							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		506,964	-	506,964	-	-	-
Advances, deposits, prepayments and other receivables		50,029	-	50,029	-	-	-
Cash and bank balances		23,125	-	23,125	-	-	-
	42.2	593,737	-	593,737	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	935,571	935,571	-	-	-
Lease liability		-	179,330	179,330	-	-	-
Foreign currency convertible bonds - unsecured		-	2,895,217	2,895,217	-	-	-
Creditors, accrued and other liabilities		-	751,392	751,392	-	-	-
Accrued finance cost		-	1,189,058	1,189,058	-	-	-
	42.2	-	6,017,428	6,017,428	-	-	-

42.2 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 Unconsolidated Financial Statements
For the year ended 30 June 2021

43 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the unconsolidated financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company is as follows:

	DIRECTORS					
	Chief Executive		Executive		Executives	
	2021	2020	2021	2020	2021	2020
	--- (Rupees in thousand) ---					
Managerial remuneration	7,600	7,600	2,725	2,726	6,815	5,982
House allowance	3,040	3,040	1,090	1,091	2,726	2,393
Utilities	760	760	273	272	682	598
Staff retirement benefit-Gratuity	950	950	341	341	852	667
Leave encashment	633	633	227	227	578	503
	12,983	12,983	4,656	4,657	11,653	10,143
Number of persons	1	1	1	1	5	4

44 Number of employees

	2021	2020
Total number of employees as at 30 June	166	184
Average number of employees during the year	175	208

45 Impact of COVID - 19 on financial statements

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and significant volatility in the Pakistan Stock Exchange (PSX). As a result of the foregoing, the construction of Pace Tower was delayed. Other than that, management considers there was no major impact that will adversely affect its businesses, results of operations and financial condition in future period.

46 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on _____ by the Board of Directors of the Company.

47 Corresponding figures

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

Chief Executive Officer

Director

Chief Financial Officer

**FORM OF PROXY**

The Company Secretary
Pace (Pakistan) Limited
First Capital House
96-B/1, M.M. Alam Road
Gulberg-III
Lahore

Folio No./CDC A/c No.: _____

Shares Held: _____

Option 1
Appointing other person as Proxy

I/We _____ S/o _____ D/o _____ W/o _____
_____ CNIC _____ being the member(s) of Pace (Pakistan)
Limited hereby appoint Mr./Mrs./Ms./ _____ S/o _____ D/o _____ W/o _____ CNIC _____
_____ or failing him / her Mr. / Mrs. Miss _____ S/o _____ D/o _____ W/o _____
_____ CNIC _____ as my/our proxy to vote for me/us and on my/our
behalf at the Annual General meeting of the Company to be held on 28 October 2021 at 11:00 a.m. and at any adjournment
thereof.

Signed under my/our hands on this _____ day of _____, 2021

Affix Revenue Stamp of
Rupees Five

Signature of member

(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

Option 2
E-voting as per the Companies (E-voting) Regulations, 2016

I/we _____ S/o _____ D/o _____ W/o _____ CNIC _____ being a member of Pace (Pakistan) Limited
holder of _____ Class _____ Ordinary share(s) as per Registered Folio No. _____ hereby opt for e-voting through
intermediary and hereby consent the appointment of execution officer _____ as proxy and will
exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured
email address is _____, please send login details, password and electronic signature through email.

Signature of member

(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

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.....
.....

کمپنی سیکریٹری

پیس (پاکستان) لمیٹڈ

دوسری منزل، پیس شاپنگ مال،

فورٹریس سٹیڈیم، لاہور کینٹ، لاہور

پہلی وضع

دوسرے شخص کو پراکسی مقرر کرنا

..... میں/ہم ولد/زوجہ/بنت شناختی کارڈ

..... نمبر کے حامل پیس (پاکستان) لمیٹڈ کے رکن کی حیثیت سے

..... ولد/بنت/زوجہ شناختی کارڈ نمبر

..... کو اس کی ناکامی کی صورت میں

..... ولد/بنت/زوجہ شناختی کارڈ نمبر 28 اکتوبر 2021ء کو صبح 11:00 بجے

..... منعقد ہونے والے سالانہ اجلاس یا اس کے کسی بھی وقفہ میں عام میں اپنی/ہماری جگہ شرکت اور ووٹ کرنے کے لئے اپنا/ہمارا پراکسی مقرر کرتے ہیں۔

..... بتاریخ

..... زیر دستخطی

رکن کے دستخط

(دستخط کمپنی میں رجسٹرڈ نمونہ دستخط کے عین مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے

.....

گواہ 2 کے دستخط

.....

گواہ 1 کے دستخط

دوسری وضع

کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء کے تحت برقی ووٹنگ

..... میں/ہم ولد/زوجہ/بنت شناختی کارڈ

..... نمبر کے حامل پیس (پاکستان) لمیٹڈ کے رکن اور حصص، درجہ، فولیو نمبر

..... کے تحت عمومی حصص کے مالک ہونے کی حیثیت سے ثالث کے ذریعے برقی ووٹنگ کرنا چاہتے ہیں اور اس لئے کمپنیز (برقی ووٹنگ) ریگولیشنز

2016ء کے تحت ایگزیکوشن آفیسر کی پراکسی کے طور پر تقرری پر رضامندی کا اظہار کرتے ہیں۔ اس لئے ہم

قراردادوں پر پولنگ میں ووٹ کا مطالبہ کرتے ہیں۔ میرا محفوظ ای میل ایڈریس ہے برائے مہربانی لاگ ان کی تفصیلات،

پاس ورڈ اور برقی دستخط اس ای میل پر بھیج دیں۔

..... بتاریخ

..... زیر دستخطی

کی موجودگی میں دستخط کئے گئے

.....

گواہ 2 کے دستخط

.....

گواہ 1 کے دستخط

(برائے مہربانی پشت پر نوٹس دیکھیں)

نوٹس:

1. سالانہ اجلاس میں شرکت اور ووٹ کا اہل کسی دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے پراکسی مقرر کر سکتا ہے۔ توثیق کی غرض سے اجلاس کے انعقاد سے 48 گھنٹے پہلے پراکسیز کمپنی کے رجسٹرڈ آفس میں پہنچ جانی چاہئیں۔
 2. جائز ہونے کی غرض سے، پراکسی کا دستاویز اور مختار نامہ یا اتھارٹی (اگر کوئی ہے) جسے کے ماتحت اس پر دستخط کئے گئے ہیں، یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل اجلاس کے انعقاد سے 48 گھنٹے پہلے کمپنی کے مرکزی دفتر واقع دوسری اور تیسری منزل، پیش شاہنگ مال، فورٹریس سٹیڈیم، لاہور کینٹ، لاہور میں پہنچ جانی چاہئیں۔ SECP کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء پر عمل درآمد کرتے ہوئے اراکین ثالث بطور پراکسی کی جانب سے ایگزیکٹو آفیسر کی تعیناتی پر کمپنی کے اجلاس کے انعقاد سے 10 دن پہلے اپنی تحریری رضامندی سے مشروط برقی ووٹنگ کے ذریعے اپنا حق رائے دہی استعمال کر سکتے ہیں۔
- (a) CDC کے واحد بینی فیشیل مالک جو اجلاس میں شرکت اور ووٹ کرنے کے اہل ہیں، اپنی شراکت کی شناخت، اکاؤنٹ اور ذیلی اکاؤنٹ نمبر بمع اصلی CNIC یا پاسپورٹ دکھا کر اپنی شناخت کروائیں گے۔ کاروباری ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نامزدگان کے نمونہ کے دستخط (اگر یہ قبل ازیں فراہم نہ کیا گیا ہے) اجلاس کے انعقاد کے وقت پیش کرنا ہوں گے۔
- (b) پراکسی کے تقرر کے لئے CDC کے انفرادی بینی فیشیل مالکان شراکت کے آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمع CNIC یا پاسپورٹ کی مصدقہ نقول کے مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرائیں گے۔ دو گواہان اپنے نام، پتا اور CNIC نمبر کے ہمراہ پراکسی فارم کی توثیق کریں گے۔ اجلاس کے انعقاد کے وقت پراکسی اپنا اصلی CNIC یا پاسپورٹ پیش کریں گے۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز/پاور آف اٹارنی بمع نمونہ کے دستخط پراکسی فارم کے ہمراہ جمع کرانے ہوں گے۔