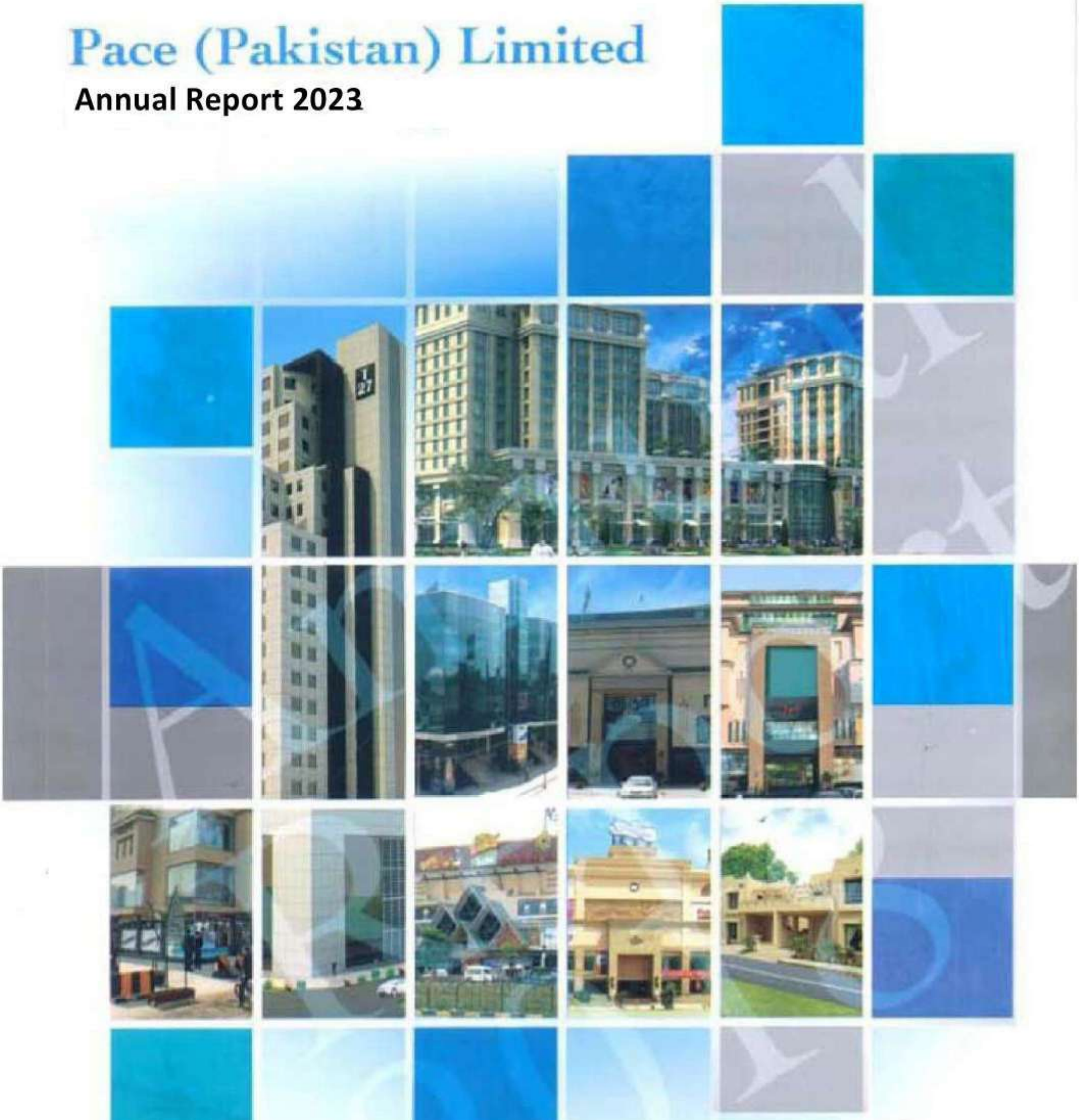
Pace (Pakistan) Limited

Annual Report 2023



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

Sikander Rashid Choudry (Chairman)	Independent
Aamna Taseer (CEO)	Executive
Shehryar Ali Taseer	Executive
Shahbaz Ali Taseer	Executive
Shehrbano Taseer	Non-Executive
Sheikh Aftab Ahmad	Independent
Shavez Ahmad	Independent
Chief Financial Officer	Muhammad Waheed Asghar
Audit Committee	Shavez Ahmad (Chairman) Shehrbano Taseer (Member) Sikander Rashid Choudry (Member)
Human Resource and Remuneration (HR&R) Committee	Shavez Ahmad (Chairman) Aamna Taseer (Member) Shehrbano Taseer (Member)
Company Secretary	Sajjad Ahmad
Auditors	M/s Junaidy Shoaib Asad, Chartered Accountants
Legal Advisers	M/s. Ibrahim and Ibrahim Barristers and Corporate Consultants Lahore
Bankers	Allied Bank Limited Albaraka Bank (Pakistan) Limited Faysal Bank Limited MCB Bank Limited Silkbank Limited
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town, Lahore Tele: + 92-42-5839182
Registered Office	First Capital House 96-B/1, Lower Ground Floor M.M. Alam Road, Gulberg-III Lahore, Pakistan Tele: + 92-42-35778217-18

REGISTERED OFFICE:
FIRST CAPITAL HOUSE
96-B/1, Lower Ground Floor,
M.M. Alam Road, Gulberg-III, Lahore.
Tel: +92-42-35778217-8

PACE (PAKISTAN) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") will be held on Saturday, 28 October 2023 at 11:30 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on 02 May 2023;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2023 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 2024 and to fix their remuneration;
4. **Special Businesses:**

(I) The renewal of Investment approval taken in last Annual General Meeting to make additional equity investment in Pace Barka Properties Limited, in this regard to pass the following special resolutions with or without modifications;

"**RESOLVED THAT** the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make additional equity investment(s) in the Share Capital of Pace Barka Properties Limited ("Pace Barka"), up to the extent of Pak Rupees 1,750 million (Rupees one thousand seven hundred fifty million only) in accordance with the provisions of section 199 of the Companies Act, 2017, on such terms and conditions as to be authorized by the Board of Directors of the Company. Further, the Chief Executive of the Company is also authorized to disinvest such investments, from time to time on terms and conditions to be authorized by the Board of Directors of the Company:

"**RESOLVED FURTHER THAT** the Chief Executive/the Company Secretary of the Company be and is hereby authorized to complete all necessary required corporate and legal formalities for the completion of subject investments, including necessary filings etc."

(II) To circulate the annual audited financial statements to the members of the Company through QR enabled code and weblink in compliance of S.R.O 389(I)/2023 dated 21st March 2023, in this regard to pass the following special resolutions with or without modifications;

RESOLVED THAT the Company be and is hereby authorized to circulate its annual audited financial statements to the members of the Company through QR enabled code and weblink, in accordance with S.R.O 389(I)/2023 dated 21 March 2023 issued by SECP and the practice of circulation of the annual audited financial statements through CD/DVD/USB may be discontinued."

REGISTERED OFFICE:
FIRST CAPITAL HOUSE
96-B/1, Lower Ground Floor,
M.M. Alam Road, Gulberg-III, Lahore.
Tel: +92-42-35778217-8

RESOLVED FURTHER THAT the Chief Executive/any Director/Company Secretary of the Company be and is hereby authorized to do all acts, deeds, things or actions as may be necessary, incidental or consequential to give effect to this resolution."

By order of the Board

Sajjad Ahmad
Company Secretary

Lahore:
06 October 2023

Notes:-

1) The Members Register will remain closed from 21 October 2023 to 28 October 2023 (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 2023 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 Companies (Postal Ballot) Regulations, 2018, for the purpose of agenda item classified as Special Business subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or E-Voting, in accordance with the requirements and procedure contained in the aforesaid Regulations.

5) 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, in compliance with Circular 04, of 2021 dated 15.02.2021, the shareholders of the

Company can opt to attend the meeting through Video/Webex/Zoom or other electronic means. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2023 and who are interested to attend meeting through Video Link/Zoom are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 48 hours before the meeting;

Email; sajjadahmad@pacepakistan.com, jawahar@pacepakistan.com,
WhatsApp Number 0303-4444800, 0302-8440935

Shareholders are requested to fill the particulars as per the blow table:

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	No. of Shares held	Cell No.	Email address

Upon receipt of the above information from interested shareholders, the Company will send the login details / password at their email addresses. On the meeting day, shareholders will be able to login and participate in the meeting 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.

6) Address of Independent Share Registrar of the Company: Name : **Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, (042) 35839182**

7) The Notice of Annual General Meeting has been placed on the Company's website: www.pacepakistan.com

8) 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.

9) The Company Circulate Annual Audited Accounts through CD/DVD and Email (in case email address has been provided). Further, the Company shall send the complete hard copy in case request has been made to the Company by a member;

10) Members are requested to notify any change in their registered address immediately;

STATEMENT UNDER SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business as to be transacted at the Annual General Meeting of the Company to be held on 28 October 2023.

RENEWAL OF EQUITY INVESTMENT LIMITE IN PACE BARKA PROPERTIES LIMITED ("PACE BARKA")

RENEWAL OF INVESTMENT APPROVAL IN PACE BARKA PROPERTIES LIMITED ("PACE BARKA")

The Shareholders of Pace (Pakistan) Limited ("the Company") in their last Annual General Meeting ("AGM") held on 28 October 2022 approved special resolutions to make additional equity investment in the Share Capital of Pace Barka Properties Limited ("Pace Barka"), up to the extent of Pak Rupees 1,750 million (Rupees one billion seven hundred fifty million) and a further investment of Rs. 500.00 million as Loan/Advance to Pace Barka, however, these decisions were not implemented during last year.

The Board of Directors has recommended the renewal of the approval for additional equity investment upto Rs. 1,750 million for next year as it is envisaged that the Board of Directors of Pace Barka will announce right issue during upcoming year, which will necessitates the subscription of right of right issue.

The additional long term investment in the share capital of Pace Barka up to Rs. 1,750 million (Rupees one thousand seven hundred fifty million only) will be made through subscription of right shares / purchase from existing shareholders on such terms and conditions as to be authorized by the Board of Directors of the Company. Further, it is proposed that the Chief Executive of the Company is also authorized to disinvest such investments, from time to time as and when considered appropriate on such terms and conditions as to be approved by the Board of Directors of the Company.

Pace Barka was incorporated on 22 November 2005 as a public company. The main objectives of Pace Barka are to acquire/purchase, construct and develop properties, hotels, shopping malls, apartment buildings, office blocks, commercial buildings, etc. and sales and management thereof. The registered office of Pace Barka is located at First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore,. The existing Authorized Share Capital of Pace Barka is Rs. 4,800,000,000 divided into 480,000,000 ordinary shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs. 3,052,573,630/- divided into 305,257,363 ordinary shares of Rs.10/- each.

The Shareholders of Pace Barka consists of the Company holds 75,875,000 shares (24.86%), Parkview Holdings Corporation holds 68,331,363 shares (22.39%), Late Sheikh Sulieman Ahmed Said Al-Hoqani holds 73,924,500 shares (24.22%), Saudi Pak Industrial & Agricultural Investment Co. Limited holds 16,875,000 shares (5.53%), Faysal Bank Limited holds 5,200,000 (1.70%), Tawasul Healthcare (Pvt.) Limited holds 4,500,000 shares (1.47%), First Capital Securities Corporation Limited holds 54,791,061 shares (17.95%), and other shareholders hold 5,763,939 shares (1.89%) of the total paid up capital of Pace Barka.

Pace Barka is developing a premium multiuse project near Alama Iqbal International Airport Lahore which comprises a proposed 5-star hotel, a world class shopping mall, proposed serviced & Pace-managed apartments. The project is located near Lahore International Airport and is surrounded by number of high-end housing societies like Army Housing Scheme and Defence Housing Authority.

In addition to the above, Pace Barka also owns a lake-side premium property at a short distance from Islamabad. Pace Barka is planning to develop large commercial project(s) thereon. Pace Barka also holds 48% of the shareholding in Pace Woodlands (Pvt.) Limited, a residential housing scheme, located at Bedian Road, Lahore Cantt. The housing scheme is comprised of 160 houses on a total area of 160 kanals.

The management of the Company considers this investment to be beneficial. The Company has already holds 75,875,000 shares of par value of Rs. 10.00/- each, 24.86 % of the total shareholding of Pace Barka.

The investments in Pace Barka shares shall be made from the available cash resources and/or the future internal cash generations of the Company including through sale of assets available. The benefits likely to accrue to the Company shall include income on equity investment in the shape of dividends and capital gains. The Company shall comply the requirements of section 199 of the Companies Act, 2017 for the purpose of these investments. All the benefits accrued to Pace Barka, through growth in its business operations will become part of the returns of the Company and its shareholders

INFORMATION AS REQUIRED UNDER REGULATION 3(A) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

The Company is fully authorized by its Memorandum of Association to make such investment. The investment would be made at such time(s), as the Chief Executive may think appropriate on behalf of the Company and would disinvest(s) as and when appropriate. The Chief Executive of the Company or the Company Secretary are also authorized to take all the necessary corporate and legal formalities in connection with the proposed investment where required.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

INVESTMENT IN THE FORM OF EQUITY;

(i)	Name of the associated company or associated undertaking	**Pace Barka Properties Limited**,
(ii)	Basis of relationship	Common Directorship
(iii)	Earnings per share for the last three years	June 2021 2022 2023 RS. (0.77) (1.02) (0.72)(*)
(iv)	Break-up value per shares, based on latest audited financial statements for 30-06-2022	PKR 17.62 /- per share

(v)	Financial Position, including main items of statement of financial position and profit & Loss account on the bases of latest financial statements (*); and	Financial Year ended 30.06. 2023 (PKR figures are in thousand) Share Capital & Reserves PKR 5,159,978 Non-Current Liabilities PKR 1,129,286 Current Liabilities PKR 954,298 Non-Current Assets PKR 2,045,931 Current Assets PKR 5,197,631 Net Loss is PKR 219,804 (*) (Financial figures have been taken from unaudited financial statements for the year ended 30 June 2023, as Pace Barka has applied for an Extension of 30 days time in holding Annual General Meeting and Laying Annual Audited Financial statements therein)
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information;	
	(I) Description of the project and its history since conceptualization;	Currently, Pace Barka is focusing on completion of development of Pace Circle Project, a premium multiuse project near Alama Iqbal International Airport Lahore which comprises a 5-star proposed hotel, a world class shopping mall, proposed serviced & Pace-managed apartments. The project is located near Lahore International Airport and is surrounded by number of high-end housing societies like Army Housing Scheme and Defence Housing Authority. Total planned constructed area consists of around 1.67 million square feet (including basement).

		The civil work on Serviced Apartment and Shopping Mall Building has been almost completed
	(II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational;	Starting date is 2005 and expected date of completion for Retail and Apartments is 30-06-25 and for Hotel is 30-06-26.
	(IV)Expected time by which the project shall start paying return on investments and;	01.07.2025
	(V) Funds invested or to be invested by the promoters, sponsors, associated company or undertaking distinguishing between cash and non-cash amounts.	RS. 3,052,573,630 has been invested by all shareholders in Pace Barka, the Company has further plan to invest Rs. 1,750 million as additional equity.
Maximum amount of investment to be made		PKR 1,750,000,000 only
Purpose, benefits likely to accrue to the investing company its members from such investment and period of investments;		Utilization of the Company's available/future cash resources including sale of assets for better prospective returns to shareholders
Sources of funds to be utilized for investment;		Available cash resources and/or future internal cash generation from the operations of Company or through sale of other assets
Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment;		NA
Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;		Mr. Salmaan Taseer (late) holds 2,613,701 (0.86%) of the total shareholding, which is under succession. Rest the Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings.
In case any investment in associated company or associated has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and;		The investment was made, from time to time at Par value of Rs. 10.00 each, now the break-up value of the shares is Rs. 17.62 per share, on the bases Audited financial for Year 30 June 2022 and Rs.

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	16.90 on the bases of unaudited financial statements for 30 June 2023.
Any other important details necessary for the members to understand the transaction	Additional Equity Investment in Associated Company
Maximum price at which securities will be acquired	The fair value at the date of acquisition to be determined in accordance with law.
In case the purchase price is higher than market value in the case of listed entity and fair value in case of unlisted securities, justification thereof;	NA
Maximum number of securities to be acquired	Tentatively 175,000,000 shares at a rate of Rs 10/-per share
Number of securities and percentage thereof held before and after the proposed investment;	Before =75,875,000= 24.86% After =250,875,000 = 52.00%
Fair value determined in terms of sub regulation (1) of regulation 05 for investments in unlisted securities.	The fair value is to be determined at the time of Investment. However, the break-up value of the shares is Rs. 17.62 per share, on the bases Audited financial for Year 30 June 2022 and Rs. 16.90 on the bases of unaudited financial statements for 30 June 2023

CIRCULATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS TO MEMBERS THROUGH QR ENABLED CODE AND WEBLINK

Securities and Exchange Commission of Pakistan ("SECP") through its S.R.O 389(I)/2023 dated 21 March 2023 has allowed the listed companies to circulate annual balance sheet, profit and loss account, auditor's report and Directors Report etc. ("annual audited financial statements") to its members through QR enabled code and weblink subject to the approval of shareholders, therefore the Board of Directors has approved to make the compliance. Therefore, the practice of circulation of annual audited financial statements through CD/DVD/USB may be discontinued.

Further, it is proposed by the Board that the authority be given to Chief Executive/Director/the Company Secretary of the Company to do all acts, deeds, things or actions as may be necessary, incidental or consequential to give effect to this resolution.

INSPECTION OF DOCUMENTS

Copies of the Memorandum and Articles of Association, Statement under section 134(3) of the Companies Act, 2017, latest pattern of shareholding and variation in shareholding of the shareholders, having 10% or more in the Company during the last six months, financial projections/plan of the Company, audited annual accounts for the last three years of the Company and PBPL and all other related information of the Company may be inspected during the business hours at the Registered Office of the Company form the date of the publications of the this notice till the conclusion of the Extraordinary General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

All the directors of Pace Barka including the Chief Executive are (nominated by the Company) and their relatives (if any) are interested to the extent of their shares that are held by them. Mr. Salmaan Taseer (late) holds 2,613,701 (0.86%) of the total shareholding, which is under succession. Rest the Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings. The effect of the resolutions on the interest of these directors including the Chief Executive and their relatives (if any) does not differ from its effect on the like interest of other shareholders. They have no other interest in the special business and / or resolutions except as specified herein.

Disclosure under Regulation 4 (2) of Chapter II of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The decision to make investment under an authority of Special resolution for Loan / Advance & additional equity investment(s) in the Share Capital of Pace Barka Properties Limited ("Pace Barka") passed in last Annual General Meeting held on 28 October 2022 has not been implemented, the following is the explanation on status of decision:

Total Investment Approved	Additional Equity Investment up to the extent of 1,750 million (Rupees one thousand seven hundred fifty million only)	Loan/Advance to up to Rs. 500.00 Million (Rupees five hundred million only)	
Amount of investment made to date	NIL		
Reasons for deviation from the approved time line of investment, where investment decision was to be implemented in specific time	As per law the investment was required to be made within one year however, the investment decision was not implemented		
Material change in financial statements of associated company since the date of resolution passed for approval of investment	**Financial Year Ended** Share Capital & Reserves Non-Current Liabilities Current Liabilities Non-Current Assets Current Assets Net Loss	**2022** 5,379.78 985.72 922.17 5,147.31 2,140.36 311.01	**2023 (PKR in MN)** 5,159.97 1,129.29 954.29 5,197.63 2,045.93 219.80

In the last Annual General Meeting the Shareholders also authorized the Chief Executive Officer of the Company to take all necessary steps to make disinvestment up to 75,875,000 ordinary shares of Rs. 10/- each of Pace Barka Properties Limited to any prospective buyer on such terms and conditions as may be approved by the Board of Directors, however, no shares have been disposed off todate.

پیس (پاکستان) لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ پیس پاکستان لمیٹڈ (''کمپنی'' یا ''پیس'') کے شیئر ہولڈرز کا بتیسواں (32واں) سالانہ اجلاس عام مؤرخہ 28 اکتوبر 2023ء بروز ہفتہ دن 11:30 بجے کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B-1، ایم ایم عالم روڈ، گلبرگ-III، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 02 مئی 2023ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2023ء 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 زیرِ غور لانا اور اپنانا۔
3. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔
4. خصوصی امور

(I) پیس برکہ پراپرٹیز لمیٹڈ میں اضافی ایکویٹی سرمایہ داری کے لئے گذشتہ سالانہ اجلاس عام میں لی گئی سرمایہ کاری منظوری کی تجدید کرنا اور اس بابت بمعہ/علاوہ ترامیم مندرجہ ذیل خصوصی قرارداد پاس کرنا:

''**قرار پایا کہ** کمپنیز ایکٹ 2017ء کے سیکشن 199 کے قواعد کے مطابق کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ شرائط وضوابط کے تحت چیف ایگزیکٹو کو پیس بارکہ پراپرٹیز لمیٹڈ (''پیس بارکہ'') کے سرمایہ حصص میں 1,750 ملین روپے (ایک ہزار سات سو پچاس ملین روپے صرف) کی اضافی ایکویٹی سرمایہ کاری کرنے کے لئے تمام ضروری اقدامات اٹھانے کا مجاز ٹھہرایا جاتا ہے۔ مزید یہ کہ کمپنی کے بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط و ضوابط کے تحت کمپنی کے چیف ایگزیکٹو کو ایسی سرمایہ کاری کے ہمہ وقت ارتداد کا بھی مجاز ٹھہرایا جاتا ہے۔

''**مزید قرار پایا کہ** کمپنی کے چیف ایگزیکٹو/کمپنی سیکریٹری کو مذکور سرمایہ داری مکمل کرنے بشمول لازمی اندراج وغیرہ کی بابت تمام کاروباری وقانونی تقاضے پورے کرنے کا بھی مجاز ٹھہرایا جاتا ہے۔''

(II) سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مؤرخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کی پیروی میں کمپنی اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بذریعہ QR کوڈ اور ویب لنک ارسال کرنا اور اس بابت مندرجہ ذیل خصوصی قرارداد کو منظور کرنا:

''قرار پایا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مؤرخہ 21 مارچ 2023ء کے مراسلہ S.R.O.

2023/(I)389 کی پیروی میں کمپنی اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بذریعہ QR کوڈ اور ویب لنک ارسال کرنے اور CD / DVD / USB کے ذریعے ترسیل کو ختم کرنے کے لئے کمپنی کو یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے۔"

"**مزید قرار پایا کہ** کمپنی کے چیف ایگزیکٹو/کمپنی سیکریٹری کو مذکور سرمایہ داری مکمل کرنے بشمول لازمی اندراج وغیرہ کی بابت تمام کاروباری وقانونی تقاضے پورے کرنے کا بھی مجاز ٹھہرایا جاتا ہے۔"

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور

06 اکتوبر 2023ء

مندرجات:

(1) اراکین کا رجسٹر 21 اکتوبر 2023ء تا 28 اکتوبر 2023ء (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2023ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرار کارپ لنک (پرائیویٹ) لمیٹڈ، 1-K کمرشل ماڈل ٹاؤن لاہور اور کمپنی کے 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 کرسکتا ہے۔ کارآمد کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہوجانی 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 آفس 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 (پوسٹل بیلٹ) قواعد 2018ء کی پیروی میں اور خصوصی قرارداد پر مشتمل ایجنڈا آئٹمز کے لئے کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 کی روشنی میں اراکین کو بذریعہ پوسٹل بیلٹ یا ای ووٹنگ اپنا حق رائے دہی استعمال کرنے کا مجاز ٹھہرایا جاتا ہے جو مذکورہ بالا ضوابط میں درج اصولوں اور طریقہ کار کے عین مطابق ہوگا۔

(5) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد کل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز ویڈیو لنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کی درخواست دے سکتے ہیں۔

وڈیولنک سہولت کی درخواست اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست اسٹینڈرڈ فارم پر دی جائے۔ یہ اسٹینڈرڈ فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جا سکتا ہے۔

مزید یہ کہ، مؤرخہ 15.02.2021 کے سرکلر نمبر 04/2021 کی تعمیل میں کمپنی کے شیئر ہولڈرز ویڈیو/ ویب ایکس/ زوم یا دیگر برقی ذرائع سے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2023ء کو کاروباری اوقات کار 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 اڑتالیس (48) گھنٹے قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی گذارش کی جاتی ہے۔

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شیئر ہولڈرز سے التماس ہے کہ وہ اپنی تفصیلات مندرجہ ذیل جدول کے مطابق پُر کریں۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو نمبر/ CDC اکاؤنٹ نمبر	تعداد ملکیتی حصص	سیل نمبر	ای میل ایڈریس

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 مناسب 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 بھی بھیج سکتے ہیں۔ لاگ ان کی سہولت اجلاس کے انعقاد سے 30 منٹ قبل کھولی جائے گی تا کہ شرکاء اجلاس میں شمولیت اختیار کر سکیں۔

(6 کمپنی کے خودمختار شیئر رجسٹرار کا پتا: **کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور (042)-35839182**

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

(8 (a اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بینیفیشل 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 بینی فیشل مالک مذکور بالاضروریات 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)۔

(9 کمپنی نے (ای میل ایڈریس کی فراہمی سے مشروط) سالانہ پڑتال شدہ کھاتے بذریعہ CD / DVD اور ای میل ارسال کر دیئے ہیں۔ مزید یہ کہ، کمپنی کسی رکن کی درخواست وصول ہونے پر مکمل کاغذی نقل بھی ارسال کرے گی۔

(10 اراکین سے گذارش کی جاتی ہے کہ اپنے رجسٹرڈ پتا میں تبدیلی سے متعلق فوراً آگاہ کریں۔

کمپنیز ایکٹ 2017ء کے سیکشن (3)134 کے تحت اعلامیہ

اعلامیہ ہذا 28 اکتوبر 2023ء کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں زیرغور لائے جانے والے خصوصی امور کی بابت مادی حقائق پر مشتمل ہے۔

پیس براکہ پراپرٹیز لمیٹڈ ("پیس بارکہ") میں ایکویٹی انویسٹمنٹ کی تجدید

پیس براکہ پراپرٹیز لمیٹڈ ("پیس بارکہ") میں سرمایہ کی منظوری کی تجدید

پیس (پاکستان) لمیٹڈ ("کمپنی") کے شیئر ہولڈرز نے اپنے گذشتہ سالانہ اجلاس عام ("AGM") منعقدہ 28 اکتوبر 2022ء کو پیس بارکہ پراپرٹیز لمیٹڈ ("پیس بارکہ") کے سرمایہ حصص میں 1,750 ملین روپے اور 500.00 ملین روپے کی مزید انویسٹمنٹ بطور قرض/ایڈوانس بنام پیس بارکہ کرنے کے لئے خصوصی قراداد منظور کی البتہ گذشتہ برس میں ان فیصلوں پر عمل درآمد نہ ہوسکا۔

پیس براکہ کے سرمایہ حصص میں 1,750 ملین روپے (ایک بلین سات سو پچاس ملین روپے) کی اضافی طویل مدتی سرمایہ کاری رائٹ حصص کی سبسکرپشن/موجودہ شیئر ہولڈرز سے خریداری کے ذریعے کمپنی کے بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط وضوابط کے تحت کی جائے گی۔ مزید تجویز کیا جاتا ہے کہ کمپنی کا چیف ایگزیکٹو کمپنی کے بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط وضوابط کی روشنی میں اپنی صوابدید پر ہمہ وقت سرمایہ کاری کے ارتداد کا مجاز ہوگا۔

پیس بارکہ 22 نومبر 2005 کوبطور پبلک کمپنی رجسٹر ہوئی۔ پیس بارکہ کی بنیادی کاروباری سرگرمیوں میں ہوٹلوں، شاپنگ مالز، اپارٹمنٹ بلڈنگز، آفس بلاکس، کمرشل بلڈنگز وغیرہ کی تعمیر، حصول اور ترقی وغیرہ اور فروخت اور اس کے انتظامات چلانا شامل ہے۔ پیس بارکہ کا رجسٹرڈ آفس فرسٹ کیپٹل ہاؤس، 96-B/1، ایم ایم عالم روڈ، گلبرگ-III، لاہور میں واقع ہے۔

پیس بارکہ کا موجودہ مجاز سرمایہ حصص -/4,800,000,000 روپے ہے۔ جو -/10 روپے فی حصص پار ویلیو پر 480,000,000 عمومی حصص پر مشتمل ہے۔ جاری کردہ، سبسکرائبڈ اور ادا شدہ سرمایہ -/3,052,573,630 روپے ہے جو -/10 روپے فی حصص کی شرح سے 305,257,363 عمومی حصص پر مشتمل ہے۔

پیس براکہ میں ملکیتی حصص کے حساب سے شیئر ہولڈرز مندرجہ ذیل ہیں کمپنی کے کل ملکیتی حصص کی تعداد 75,875,000 (24.86%)، پارک ویو ہولڈنگز کارپوریشن کے ملکیتی 68,331,363 حصص (22.39%)، مرحوم شیخ سلیمان سید الحقانی کے ملکیتی 73,924,5000 حصص (24.22%)، سعودی پاک انڈسٹریل اینڈ ایگریکلچرل انویسٹمنٹ کمپنی لمیٹڈ کے ملکیتی 16,875,000 حصص (5.53%)، فیصل بینک لمیٹڈ کے ملکیتی 5,200,000 حصص (1.70%)، تواصل ہیلتھ کیئر (پرائیویٹ) لمیٹڈ کے ملکیتی 4,500,000 حصص (1.47%)، فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ کے ملکیتی 5,763,939 (1.89%) حصص اور دیگر حصص داران کے ملکیتی 54,791,061 حصص (17.95%) شامل ہیں۔

پیس بارکہ علامہ اقبال انٹرنیشنل ایئرپورٹ لاہور کے قریب کثیر المقاصد پریمیم پروجیکٹ تعمیر کر رہی ہے جو مجوزہ 5 اسٹار ہوٹل، عالمی معیار کے شاپنگ مال، مجوزہ آرائشی اور پیس براکہ کے زیر انتظام اپارٹمنٹس پر مشتمل ہے۔ یہ پروجیکٹ آرمی ہاؤسنگ سکیم اور ڈیفنس ہاؤسنگ اتھارٹی جیسی کئی معیاری ہاؤسنگ سوسائٹیز میں علامہ اقبال انٹرنیشنل ایئرپورٹ لاہور کے قریب واقع ہے۔ مذکورہ بالا کہ علاوہ، پیس بارکہ اسلام آباد سے کچھ فاصلے پر لیک سائیڈ پریمیم پراپرٹی کی بھی مالک ہے۔ پیس بارکہ یہاں بڑا/ بڑے تجارتی منصوبہ/منصوبے تعمیر کرنے کا ارادہ رکھتی ہے۔ پیس بارکہ 160 کنال رقبہ پر محیط 160 گھروں پر مشتمل بیدیاں روڈ لاہور کینٹ میں واقع رہائشی سکیم پیس ووڈلینڈز (پرائیویٹ) لمیٹڈ میں 48% شیئر ہولڈنگ کی بھی مالک ہے۔

کمپنی کی انتظامیہ اس سرمایہ داری کو مفید قرار دیتی ہے۔ کمپنی پیس بارکہ کی کل شیئر ہولڈنگ میں سے 24.86 فی صد کی مالک ہے جو -/10.00 روپے فی حصص کی پار ویلیو پر 75,875,000 حصص پر مشتمل ہے۔

پیس بارکہ حصص میں سرمایہ داری دستیاب رقوم اور/ یا مستقبل میں دستیاب اثاثہ جات کی فروخت کے ذریعے کمپنی کی دیگر آمدنی سے کی جائے گی۔ کمپنی کو ممکنہ حاصل ہونے والے فوائد میں منافع منقسمہ اور سرمایہ داری آمدنی کی صورت میں ایکویٹی انویسٹمنٹ سے حاصل آمدنی شامل ہیں۔ کمپنی ایسی سرمایہ داری کی بابت کمپنیز ایکٹ 2017ء کے سیکشن 199 کے معیارات

کی تعمیل کرے گی۔ کاروباری امور میں نمو کے ذریعے پیس بارکہ کو حاصل تمام فوائد کمپنی اور اس کے حصص داران کی آمدنی کا حصہ بن جائیں گے۔

<u>کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ داری) ضوابط 2017ء کے ضابطہ (A)3 کے تحت درکار معلومات</u>

کمپنی اپنے میمورنڈم آف ایسوسی ایشن کے تحت ایسی سرمایہ داری کرنے کا مکمل اختیار رکھتی ہے۔ کمپنی کی جانب سے چیف ایگزیکٹو مناسب سمجھنے پر کسی بھی وقت سرمایہ داری کرسکتا ہے یا حسب ضرورت اس سرمایہ داری کو نکال سکتا ہے۔ کمپنی کا چیف ایگزیکٹو اور کمپنی سیکریٹری حسب ضرورت مجوزہ سرمایہ داری کی بابت تمام تر ضروری کاروباری و قانونی تقاضے پورے کرنے کا بھی اختیار رکھتے ہیں۔

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ داری) ضوابط 2017ء کے ضابطہ (A)3 کے تحت درکار معلومات:

ایکویٹی کی صورت میں سرمایہ داری:

(i)	ایسوسی ایٹڈ کمپنی اور ایسوسی ایٹڈ انڈرٹیکنگ کا نام	**پیس بارکہ پراپرٹیز لمیٹڈ**
(ii)	تعلق کی نوعیت	مشترکہ ڈائریکٹرشپ
(iii)	گذشتہ تین برس کے لئے فی حصص آمدنی	جون 2021ء 2022ء 2023ء (0.77) روپے (1.02) روپے (*)(0.72) روپے
(iv)	تازہ ترین پڑتال شدہ مالیاتی اسٹیٹمنٹس برائے 30-06-2022 کی بنیاد پر فی حصص بریک اپ ویلیو،	-/17.62 روپے فی حصص

(v)	تازہ ترین مالیاتی اسٹیٹمنٹس کی بنیاد پر مالیاتی حالت، بشمول مالیاتی حالت اور نفع و نقصان اکاؤنٹ کی اسٹیٹمنٹ کے اہم اشاریے:	2023ء کو اختتام پذیر سال: سرمایہ حصص اور زخائر: 5,159,978 روپے غیر حالیہ واجبات: 1,129,286 روپے حالیہ واجبات: 954,298 روپے غیر حالیہ اثاثہ جات: 2,045,931 روپے حالیہ اثاثہ جات: 5,197,631 روپے خالص خسارہ 219,804 روپے (*) مالیاتی اعداد 30 جون 2023ء کو اختتام پذیر سال کے لئے غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس سے حاصل کئے گئے ہیں۔ کیونکہ پیس بارکہ نے سالانہ اجلاس عام کے انعقاد کے لئے 30 یوم کی توسیع اور سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس جاری کرنے کے لئے درخواست دی ہے۔
(vi)	غیر فعال ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈرٹیکنگ کے پروجیکٹ کی بابت سرمایہ داری کی صورت میں مندرجہ ذیل معلومات:	
	(I) پروجیکٹ کی تفصیل اور منصوبہ بندی سے لے کر آج تک اس کا ماضی	فی الوقت، پیس بارکہ پیس سرکل پروجیکٹ کی تکمیل پر توجہ دے رہی ہے۔ جو علامہ اقبال انٹرنیشنل ایئر پورٹ کے قریب ایک کثیر المقاصد پریمیم پروجیکٹ ہے اور مجوزہ 5 اسٹار ہوٹل، عالمی معیار کا شاپنگ مال، مجوزہ آرائشی اور پیس کے زیر انتظام اپارٹمنٹس پر مشتمل ہے۔ یہ پروجیکٹ آرمی ہاؤسنگ سکیم اور ڈیفنس ہاؤسنگ اتھارٹی جیسی کئی معیاری ہاؤسنگ سوسائٹیز میں علامہ اقبال انٹرنیشنل ایئر پورٹ لاہور میں واقع ہے۔ طے شدہ کل تعمیراتی رقبہ تقریباً 1.67 ملین مربع فٹ بمعہ بیسمنٹ ہے۔ آرائشی اپارٹمنٹس اور شاپنگ مال بلڈنگ پر سول ورک تقریباً مکمل ہو چکا ہے۔

	(II) تاریخ آغاز اور تکمیل کی ممکنہ تاریخ	تاریخ آغاز 2005 ہے اور ریٹیل اور اپارٹمنٹ کی تاریخ تکمیل 25-06-30 اور ہوٹل کی تاریخ تکمیل 30-06-26 ہے۔
	(III) پروجیکٹ کی تجارتی طور پر آپریشنل ہونے کی ممکنہ تاریخ	01.07.2025
	(IV) ممکنہ وقت جب پروجیکٹ سرمایہ داری پر آمدنی دینا شروع کرے گا۔	01.07.2025
	(V) پروموٹرز، سپانسرز، ایسوسی ایٹڈ کمپنی یا انڈر ٹیکنگ کی جانب سے ممکنہ اور موجودہ سرمایہ کاری کے لئے نقد اور غیر نقد رقم میں تفریق کے ساتھ لگائے گئے فنڈز۔	پیس براکہ میں تمام شیئر ہولڈرز نے 3,052,573,630 روپے سرمایہ لگایا۔ کمپنی مزید 1,750 ملین روپے بطور ایکویٹی سرمایہ داری کا ارادہ رکھتی ہے۔
ممکنہ سرمایہ داری کی زیادہ سے زیادہ رقم		1,750,000,000 روپے صرف
سرمایہ داری کرنے والی کمپنی اور اس کے اراکین کو حاصل ہونے والے ممکنہ فوائد، مقصد اور سرمایہ داری کا دورانیہ		کمپنی کے دستیاب/آئندہ کے کیش وسائل بشمول اثاثہ جات کی فروخت کا استعمال تاکہ شیئر ہولڈرز کو بہتر آمدنی مل سکے۔
سرمایہ داری کے لئے استعمال فنڈز کے وسائل		دستیاب کیش وسائل اور/یا کمپنی کے آپریشنز سے حاصل ممکنہ داخلی آمدنی یا بذریعہ اثاثہ جات کی فروخت
ایسوسی ایٹڈ کمپنی یا انڈرٹیکنگ سے کئے گئے معاہدہ/معاہدوں کی نمایاں خصوصیات، اگر کوئی ہیں، اور زیرغور لائی جانے والی ٹرانزیکشن		دستیاب نہیں

ایسوسی ایٹڈ کمپنی یا انڈر ٹیکنگ یا زیر غور ٹرانزیکشن میں ڈائریکٹرز، سپانسرز، اکثریتی شیئر ہولڈرز اور ان کے رشتہ داروں، اگر کوئی ہے، کا بالواسطہ یا بلاواسطہ مفاد	مسٹر سلمان تاثیر (مرحوم) کل شیئر ہولڈنگ کے 2,613,701 حصص (0.86%) کے مالک ہیں جو ابھی وراثت میں ہیں۔ کمپنی کے بقیہ ڈائریکٹرز اور ان کے رشتہ دار (اگر کوئی ہیں) اپنی شیئر ہولڈنگ تک مفاد رکھتے ہیں۔
اگر قبل ازیں ایسوسی ایٹڈ کمپنی یا انڈر ٹیکنگ میں سرمایہ داری کی صورت میں، اس سرمایہ داری کی کارکردگی کا جائزہ بشمول نقص یا رائٹ آف کے لئے مکمل مکمل معلومات/ جواز؛ اور	10.00 روپے فی حصص کی پار ویلیو پر وقتاً فوقتاً سرمایہ کاری کی گئی۔ فی الوقت 30 جون 2022ء کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے مطابق بریک اپ ویلیو فی حصص 17.62 روپے ہے جب کہ 30 جون 2023ء کے لئے غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس کے مطابق یہ قیمت 16.90 روپے ہے۔
ٹرانزیکشن کو سمجھنے کے لئے اراکین کو درکار دیگر ضروری معلومات	ایسوسی ایٹڈ کمپنی میں مزید ایکویٹی انویسٹمنٹ
زیادہ سے زیادہ قیمت جس پر سیکیورٹیز حاصل کی جائیں گی۔	حصول کے وقت قانون کے مطابق فیئر ویلیو کا تعین کرنا۔
اگر لسٹڈ کمپنی کی صورت میں قیمت خرید مارکیٹ قیمت سے زائد اور ان لسٹڈ سیکیورٹیز کی صورت میں فیئر ویلیو پر جواز	دستیاب نہیں
حاصل کی جانے والی سیکیورٹیز کی تعداد	ارادتاً 175,000,000 حصص بشرح -/10 روپے فی حصص
مجوزہ سرمایہ کاری سے قبل اور مابعد سیکیورٹیز کی تعداد اور ان کی اوسط	قبل ازیں: 75,875,000=24.86% مابعد: 250,875,000=52.00%

ان لسٹڈ سیکیورٹیز میں سرمایہ داری کے لئے قاعدہ 5(1) کے تحت فیئر ویلیو کا تعین	سرمایہ کاری کے وقت فیئر ویلیو کا تعین کیا جائے گا۔ البتہ 30 جون 2022ء کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے مطابق بریک اپ ویلیو فی حصص 17.62 روپے ہے جب کہ 30 جون 2023ء کے لئے غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس کے مطابق یہ قیمت 16.90 روپے ہے۔

اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی ترسیل بذریعہ QR کوڈ اور ویب لنک

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے اپنے مؤرخہ 21 مارچ 2023ء کے مراسلہ نمبر SRO389(I)/2023 کے ذریعے لسٹڈ کمپنیوں کو سالانہ بیلنس شیٹ، نفع ونقصان اکاؤنٹ، آڈیٹرز و ڈائریکٹرز کی رپورٹ وغیرہ ("سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس") بذریعہ QR کوڈ اور ویب لنک اپنے اراکین کو ارسال کرنے کی اجازت دی ہے جو شیئر ہولڈرز کی منظوری سے مشروط ہے۔ لہٰذا بورڈ آف ڈائریکٹرز نے اس کی تعمیل کی منظوری دی ہے۔ لہٰذا سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی ترسیل بذریعہ CD / DVD / USB کا عمل منسوخ کیا جائے گا۔

مزید یہ کہ بورڈ نے تجویز کیا ہے کہ چیف ایگزیکٹو/ ڈائریکٹر/ کمپنی سیکریٹری کو مجاز ٹھہرایا جائے کہ وہ اس قرارداد کو مؤثر کرنے کے لئے تمام ضروری یا واقعاتی عمل، اقدامات اور معاہدے کریں۔

دستاویزات کا معائنہ

میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کمپنیز ایکٹ 2017ء کے سیکشن 134(3) کے تحت بیان، شیئر ہولڈنگ کی تازہ ترین وضع اور گزشتہ چھے ماہ کے دوران کمپنی میں 10 فی صد یا زائد شیئر ہولڈنگ کے مالک شیئر ہولڈرز کی شیئر ہولڈنگ میں تغیر، کمپنی اور PBPL کے گزشتہ تین برس کے پڑتال شدہ سالانہ کھاتے اور کمپنی کی دیگر متعلقہ معلومات کی نقول کا جائزہ نوٹس ہذا کی اشاعت سے سالانہ اجلاس عام کے اختتام تک کمپنی کے رجسٹرڈ آفس میں کاروباری اوقات کار کے دوران کیا جا سکتا ہے۔

ڈائریکٹرز اوران کے رشتہ داروں کی دلچسپی

پیس بار کہ کے تمام ڈائریکٹرز بشمول چیف ایگزیکٹو (کمپنی کے نامزد کردہ) اوران کے رشتہ دار (اگر کوئی ہیں) اپنی ملکیتی حصص کی حد تک دلچسپی رکھتے ہیں۔ مسٹر سلمان تاثیر (مرحوم) کل شیئر ہولڈنگ میں سے 0.86% یعنی 2,613,701 حصص کے مالک ہیں جو اس وقت وراثت میں ہیں۔ کمپنی کے بقیہ ڈائریکٹرز اوران کے رشتہ دار (اگر کوئی ہیں) اپنی شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔ ان ڈائریکٹرز بشمول چیف ایگزیکٹو اوران کے رشتہ دار (اگر کوئی ہیں) کی دلچسپی پر قراردادوں کے اثرات دیگر شیئر ہولڈرز کے مساوی اثرات سے مختلف نہیں ہیں۔ یہاں بیان کردہ دلچسپی کے امور کے علاوہ ان کا خصوصی امور اور/ یا قراردادوں میں کوئی مفاد نہیں۔

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ کاری) ضوابط، 2017ء کے ضابطہ 4(2) کے تحت اظہار

گذشتہ سالانہ اجلاس عام منعقدہ 28 اکتوبر 2022ء میں قرض/پیشگی زر اور پیس بار کہ پراپرٹیز لمیٹڈ ("پیس بار کہ") کے سرمایہ حصص میں اضافی ایکویٹی انویسٹمنٹ کے لئے خصوصی قرارداد کی منظوری کے تحت سرمایہ کاری پر فیصلے کا اطلاق نہیں ہو سکا۔ فیصلے کی حیثیت سے متعلق وضاحت حسب ذیل ہے:

منظور شدہ کل سرمایہ کاری	1,750 ملین روپے (ایک ہزار سات سو پچاس ملین روپے) تک اضافی ایکویٹی سرمایہ کاری		500.00 ملین روپے (پانچ سو ملین روپے صرف) تک قرض/پیشگی زر
تاحال سرمایہ کاری کی رقم	کوئی نہیں		
سرمایہ کاری کی مقررہ تاریخ سے انحراف کی وجوہات جب کہ سرمایہ کاری کے فیصلے پر عمل درآمد مقررہ وقت پر درکار تھا۔	قانون کے مطابق ایک سال کے اندر سرمایہ کاری درکار تھی البتہ سرمایہ کاری کے فیصلے پر عمل درآمد نہ ہو سکا۔		
سرمایہ کاری کی منظوری کے لئے منظور شدہ قرارداد کی تاریخ سے ایسوسی ایٹڈ کمپنی کی مالیاتی اسٹیٹمنٹس میں مادی تبدیلی	**مالیاتی سال مختتمہ:**	2022ء	2023 (ملین روپے)
	سرمایہ حصص اور زخائر	5,379.78	5,159,.97
	غیر حالیہ واجبات	985.72	1,129.29
	حالیہ واجبات	922.17	954.29
	غیر حالیہ اثاثہ جات	5,147.31	5,197.63
	حالیہ اثاثہ جات	2,140.36	2,045.93
	خالص خسارہ	311.01	219.80

گذشتہ سالانہ اجلاس عام میں شیئر ہولڈرز نے کمپنی کے چیف ایگزیکٹو آفیسر کو پیس بار کہ پراپرٹیز لمیٹڈ کے 75,875,000 تک حصص بحساب -/10 روپے فی حصص بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط وضوابط کی روشنی میں کسی ممکنہ خریدار کو ارتداد کرنے کے لئے تمام ضروری اقدامات اٹھانے کے لئے مجاز ٹھہرایا جاتا ہے۔ البتہ تاحال حصص کو فروخت نہ کیا گیا ہے۔

Pace (Pakistan) Limited

Chairman's Review

ECONOMIC OVERVIEW

The financial year under review posed considerable challenges for the global economy, Pakistan included. High inflation compelled central banks worldwide to raise interest rates, thereby increasing the cost of conducting business. Supply chain disruptions also led to rising commodity prices, particularly in the case of oil. Pakistan's economy faced serious hurdles due to factors such as higher interest rates, PKR depreciation against the USD, import restrictions, severe flooding in the first quarter of the fiscal year, and reduced remittances from overseas Pakistanis. The signing of an agreement with the IMF marginally improved business confidence, however the end of the term of the National Assembly brought a new wave of uncertainty for the future.

REAL ESTATE INDUSTRY CHALLENGES

The real estate industry encountered significant challenges during the year, including higher existing and new taxes, reduced remittances from overseas Pakistanis, and decreased interest from local and foreign investors in the sector. Escalating construction costs have severely impacted project development and completion, while running existing projects has become costlier due to increased commodity prices and higher electricity rates. These factors collectively affected the overall performance of the Company.

BOARD OF DIRECTORS' PERFORMANCE

Throughout the year, the Board of Directors at Pace (Pakistan) Limited underwent a restructuring, resulting in the appointment of two new independent directors and a Chairman of the Board.

I am pleased to report on the Board's overall performance and its effectiveness in achieving the Company's objectives:

- The Board diligently fulfilled its duties, prioritizing the best interests of the Company's shareholders and efficiently managing its affairs.

- The Board comprises highly professional and experienced individuals, bringing diverse business expertise, including the independent directors. All board members are acutely aware of their responsibilities and conscientiously fulfill them.

- The Board maintains the requisite representation of non-executive and independent directors on its committees, in accordance with the Code. Members of the Board and its committees possess the necessary skills, experience, and knowledge to oversee the Company's affairs.

- Directors received orientation courses to enhance their effectiveness, with four directors already certified under the Directors Training Program, and the remaining directors meeting or on the way to meeting the qualification and experience criteria stipulated by the Code.

- The Board established Audit and Human Resource and Remuneration Committees, defined their terms of reference, and allocated adequate resources for diligent committee performance.

- Board and committee meetings were conducted with the necessary quorum, decision-making was documented through Board resolutions, and accurate minutes of all meetings (including committees) were maintained.

- The Board actively participated in strategic planning, enterprise risk management, policy development, financial structure monitoring, and approval processes. Significant matters throughout the year were presented to the Board or its committees to formalize corporate decision-making.

- All significant issues, especially related-party transactions, were presented to the Board, and decisions were made based on Audit Committee recommendations.

- The Board ensured the presence of a robust internal control system, regularly assessing it through self-assessment mechanisms and internal audits.

- The Board prepared and approved the director's report, ensuring its publication alongside quarterly and annual financial statements in accordance with applicable laws and regulations.

- The Board exercised its powers in accordance with relevant laws and regulations governing the Company, consistently prioritizing compliance.

- The Board oversaw the hiring, evaluation, and compensation of key executives, including the Chief Executive, Chief Financial Officer, Company Secretary, and Head of Internal Audit.

- The Board facilitated timely information sharing among its members, keeping them informed of developments between meetings.

I express my gratitude to my fellow directors, shareholders, management, and staff for their unwavering support in exceptionally challenging operating conditions. We assure you that areas requiring improvement are thoroughly considered, and action plans are devised. We eagerly anticipate continued success for the Company in the future.

Lahore
Dated: 06 October 2023

Sikander Rashid Choudry
Chairman

Directors' Report (Year Ended June-2023)

Pace (Pakistan) Limited ("the Company" or "Pace")

General Economic Overview

Pakistan's strong post-pandemic recovery came to a halt in fiscal year (FY) 23 with the delayed withdrawal of COVID-19-era policy stimulus leaving large accumulated economic imbalances. Pressures on domestic prices, external and fiscal balances, the exchange rate, and foreign exchange reserves mounted amid surging world commodity prices, global monetary tightening, recent catastrophic flooding, and domestic political uncertainty. Confidence and economic activity collapsed due to import and capital controls, periodic exchange rate controls, creditworthiness downgrades, and ballooning interest payments. Amid shrinking economic activity, price shocks, and the impacts of flooding, poverty increased significantly.

Economic activity slowed sharply in FY23 with contractions in both industry and services sectors and muted growth in the agriculture sector. Overall, real gross domestic product (GDP) is estimated to have declined by 0.6 percent in FY23 after growing by 6.1 percent in FY22 and 5.8 percent in FY21. Floods caused heavy damage to crops and livestock, while difficulties securing critical inputs, including fertilizers, further slowed agriculture output growth. Supply chain disruptions due to import restrictions and flood impacts, high fuel and borrowing costs, political uncertainty, and weak demand affected industry and service sector activity, and dampened private investment. Public consumption and investment contracted in line with fiscal consolidation. Private consumption also shrank with weakened labor markets and surging inflation.

Headline inflation rose to a multi-decade high in FY23, averaging 29.2 percent year-on-year (y-o-y) compared to 12.2 percent in FY22. Main drivers included flood-related disruptions to agricultural production and supply chains, energy tariff and petroleum price adjustments, and depreciation of the Rupee. In response to rising inflation, the State Bank of Pakistan (SBP) continued to hike the policy rate, increasing it by a cumulative 825 basis points (bps) to reach 22.0 percent in FY23. Despite this, monetary policy remained accommodative with negative real interest rates.

Amid slowing growth and high inflation, the poverty headcount is estimated to have reached 39.4 percent in FY23—more than 5 percentage points higher than in FY22.1 The record high food and energy prices, lower labor incomes, and the loss of crops and livestock due to the 2022 floods significantly impacted real household incomes. Despite a temporary increase in cash transfers and one-time fuel subsidy, overall mitigation measures were insufficient to protect poor and vulnerable households.

Pakistan's external position weakened in FY23 due to tight global financing conditions, large amortization payments, and loss of investor confidence limiting new foreign inflows. The current account deficit (CAD) narrowed to 0.7 percent of GDP in FY23, from 4.7 percent of GDP in FY 2022. This was primarily due to import management measures, a weaker currency, and muted economic activity that caused imports to decline faster than exports, supporting a narrower trade deficit. Meanwhile, official remittance inflows declined by 13.6 percent y-o-y, partly due to rigidities in the official exchange rate incentivizing the use of informal remittance channels. Amid large amortization payments and capital outflows, the financial account also turned negative driving the overall balance of payments into a slight deficit. The SBP's gross foreign exchange reserves fell to US$5.7 billion, equivalent to only one month of imports at end-June 2023.3 Given the high external pressures, by end-June 2023 the Rupee had depreciated by 28.6 percent against the US dollar.

Despite significant narrowing of the primary deficit, the consolidated fiscal deficit, excluding grants, declined only marginally to 7.8 percent of GDP in FY23, from 7.9 percent in FY22.4 This was due to a substantial increase in interest payments on the back of the higher domestic policy rate and weakening currency. The primary deficit declined to 0.8 percent of GDP in FY23, from 3.1 percent in FY22, supported by lower public spending on subsidies and grants. Muted economic activity and a decline in imports suppressed revenue from indirect taxes, limiting the Government's capacity to increase tax revenue. The Government financed the resulting fiscal deficit primarily through borrowing from commercial banks, further crowding out private sector borrowing. Although the banks' capital adequacy ratio (CAR) at end-FY23 remained largely unchanged in comparison to end-FY22, financial sector risks rose with the larger exposure to the sovereign and a slight increase in non-performing loans. By end-FY23, public debt, including guaranteed debt, rose to 82.3 percent of GDP from 80.7 percent of GDP at end-FY22.

Careful economic management—including exchange rate flexibility, fiscal restraint, and maintaining implementation of the FY24 budget and the IMF-SBA—will be required to ensure macroeconomic stability this fiscal year. Even with these measures, the current economic trajectory is not sustainable without further fiscal adjustment and other reforms. The foreign exchange position continues to erode, despite the new IMF program, rollovers, refinancing, and new inflows from official creditors. The persistent exchange rate depreciation and inflationary pressures continue to weigh on economic activity. Selective import controls will be required to preserve scarce foreign exchange reserves, constraining the pace of economic recovery with continued supply chain disruptions. Confidence remains extremely weak. Economic growth is therefore expected to remain below potential over the medium term with limited improvements in investment and exports. With depleted policy buffers, the economy's capacity to overcome any fresh domestic or external shock remains limited; downside risks to the outlook are therefore very high.

With the slight recovery in revenue partly due to the resumption of growth and imports, and continuation of expenditure restraint, the primary deficit is expected to remain modest, declining to 0.4 percent of GDP in FY24 and further to 0.3 percent in FY25. However, the weaker currency and high domestic policy rates will increase interest payments. Subsequently, the fiscal deficit will decline only marginally to reach 7.7 percent in FY24 and inching down to 7.6 percent in FY25. Gross financing needs will remain sizeable throughout the projection period because of maturing short-term debt (though short-term deposits are expected to be rolled over), multilateral and bilateral repayments, and Eurobond maturities. By end-FY24, total public debt, including guaranteed debt, is projected to decline to 72.4 percent of GDP and further to 70.3 percent by end-FY25.

Company Performance and Financial Overview

The comparison of the financial results for the year ended 30th June 2023, with previous financial year is as under:

	Year End 2023	**Year End 2022**
	Rupees in '000'	
Sales	**241,809**	1,256,326
Cost of Sales	**(118,789)**	(903,253)
Gross Profit	**123,020**	353,073
Admin & Selling Expenses	**(328,804)**	(287,494)
Other Income	**120,632**	306,465
Exchange Gain/(loss) on foreign	**(1,421,955)**	(818,893)

currency convertible bond		
Finance Cost	**(182,541)**	(156,128)
Other Operating expenses	**-**	-
Gain from change in FV of investment property	**14,562**	9,606
Net profit/(loss) before tax	**(1,674,581)**	(593,371)
Net profit/(loss) after tax	**(1,677,604)**	(618,439)
Earnings/(Loss) per share (PKR)	**(6.02)**	(2.22)

During year under review, the revenue of the Company amounted to Rs. 241.81 million as compared to Rs. 1,256 million of last year. Cost of Sales also decreased from Rs. 903 million last year to Rs. 119 million current year. Administrative expenses were Rs 329 million against Rs 287 million. Other income of the company was Rs. 121 million. The company also incurred an exchange loss of Rs. 1,421 million on Foreign Currency Convertible Loan due to depreciation of Pak-Rupee against dollars. Finance costs during the period increased from Rs. 156 million to Rs. 183 million, due to change in KIBOR rate.

As a result of aforementioned factors, the loss for the period under consideration amounted to Rs. 1,677 million as compared to last year at Rs. 618 million, resulting in Loss Per Share (LPS) of Rs. 6.04 as compared to (LPS) of Rs. 2.22 in last year.

Status of Financial Obligations

The current maturity of long term loans increased from Rs. 4.52 billion as at 30th June 2022 to Rs. 5.93 billion as at 30 June 2023. Such increase was witnessed on account of Exchange Loss recorded on Foreign Currency Convertible Bonds due to depreciation of PKR against US Dollar. 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

The Company has incurred loss before tax of Rs. 1,675 million (2022: Rs. 593 million). Increase/ Decrease in loss is mainly driven by exchange loss of Rs. 1,421 million in 2023 versus loss of Rs. 819 million in 2022 on the foreign currency convertible bonds issued by the Company.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 5,250 million (2022: Rs. 3,515 million), and accumulated losses of the Company stand at Rs. 4,786 million (2022: Rs.3,122 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. 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 it 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. In addition, the management of the company has changed its shopping mall structure to shared office structure. This results in high inflows in form of rentals.

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 2024 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 sale of its inventory in Pace Circle.

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

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 2023.

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		**Executive**	
	2023	2022	**2023**	2022
	--- (Rupees in thousand) ---			
Managerial remuneration	**7,600**	7,600	**2,725**	2,725
House allowance	**3,040**	3,040	**1,090**	1,090
Utilities	**760**	760	**273**	273
Staff retirement benefit-Gratuity	**950**	950	**341**	341
Leave encashment	**633**	633	**227**	227
	12,983	12,983	**4,656**	4,656
Number of persons	**1**	1	**1**	1

Code of Corporate Governance;

The company has implemented Listed Companies (Code of Corporate Governance) Regulations, 2019; the composition of Board committees and the Composition of the Board are made in accordance with the provisions of the Code of Corporate Governance.

Election of new Board of Directors

The Company held its Election in Extraordinary General Meeting on 02 May 2023 and the following board was appointed;

A Sikander Rashid Choudry (new appointment)	Chairman/Independent Director
Aamna Taseer	CEO
Shehryar Ali Taseer	Director
Shahbaz Ali Taseer	Director
Shehrbano Taseer	Director
Shavez Ahmad	Independent Director
Sheikh Aftab Ahmad (new appointment)	Independent Director

Mian Ehsan ul Haq, Director of the Company passed Away on 06 January 2023 and Mr. Umair Fakhar Alam was co-opted by the Board in his place. Thereafter, in election held on Mr. Kanwar Latafat Ali Khan and Umair Fakhar Alam both Retired and Mr. Sikander Rashid Choudry and Sheikh Aftab Ahmad was appointed.

Mrs. Aamna Taseer was re-appointed as Chief Executive Officer of the Company for a tenor of next three years at a monthly remuneration of Rs. 950,000/- per month along with other Company benefits.

The composition of Board is as under:

Total number of Directors **07**

a) Male: 05

b) Female: 02

Composition:

Independent Directors	03
Other Non-Executive Directors	01
Executive Directors	03

Committee of the board

Audit Committee	Shavez Ahmad (Chairman) Shehrbano Taseer (Member) Sikander Rashid Choudry (Member)
Human Resource and Remuneration (HR&R) Committee	Shavez Ahmad (Chairman) Aamna Taseer (Member) Shehrbano Taseer (Member)

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

AUDITORS

The present auditors M/s Junaidy Shoaib Asad, 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, 2024, 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 2021 - 2022 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.

The Board of Directors has approved renewal of additional investments in the form of equity to Pace Barka Properties Limited, upto the extent of Rs. 1,750 Million (rupees one thousand seven hundred fifty million only), which was initially approved last year. The Board has also approved to communicate annual audited financial statements and related information through QR code and weblink. Further, the Board has also authorized CEO of the Company to disinvest total investments, at appropriate time on such terms and conditions to be presented and approved by the Board of Directors.

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

06 October 2023

Director

Chief Executive Officer

ڈائریکٹرز کی رپورٹ (سال مختتمہ جون 2023ء)

پیس (پاکستان) لمیٹڈ (''کمپنی'' یا ''پیس'')

عمومی اقتصادی جائزہ

کرونا وائرس ک بعد پاکستان کی مستحکم بحالی کرونا وائرس ایام کی پالیسی سے نکلنے میں تاخیر سے مالیاتی سال 2023ء میں رک گئی جس سے بڑے پیمانے پر معاشی عدم توازن پیدا ہوا۔ ملکی سطح پر قیمتوں پر دباؤ، بیرونی و مالیاتی توازن، شرح مبادلہ اور غیر ملکی زرمبادلہ کے زخائر جیسے مسائل سامنے آئے جو عالمی سطح پر اشیاء کی قیمتوں، عالمی معاشی بندش، حالیہ سیلاب کی تباہ کاریوں اور ملکی سطح پر سیاسی بے یقینی کی فضا سے منسوب ہیں۔ درآمدات اور سرمایے پر پابندی، شرح مبادلہ میں مرحلہ وار تبدیلی، قرضوں پر انحصار میں کمی اور بڑھتی ہوئی انٹرسٹ کی ادائیگیوں کے باعث اعتماد اور معاشی سرگرمی تباہی کے دہانے پر پہنچ گئی۔ گرتی ہوئی معاشی سرگرمی، پرائس شاکس اور سیلاب کے اثرات کی وجہ سے غربت میں نمایاں اضافہ ہوا۔

صنعتی و خدمات کے شعبہ میں تفاوت کے ساتھ مالیاتی سال 2023ء میں معیشت سست روی کا شکار رہی اور زرعی شعبے کی نمو بری طرح متاثر ہوئی۔ مجموعی طور پر، حقیقی ملکی شرح نمو مالیاتی سال 2022ء میں 6.1 فی صد اضافے کے مقابلے میں مالیاتی سال 2023ء میں گر کر 0.6 فی صد ہوگئی۔ سیلاب نے فصلوں اور مویشیوں کو بھاری نقصان پہنچایا جب کہ اہم خام مال یعنی کھاد کے حصول میں مشکلات کا سامنا رہا جس سے زرعی پیداواری نمو سست روی کا شکار ہوگئی۔ درآمدی پابندیوں کے باعث سپلائی چین میں رکاوٹ اور سیلاب کے اثرات، ایندھن اور قرضوں پر بھاری لاگت، سیاسی بے یقینی اور کمزور طلب نے صنعت اور خدمات کے شعبے کی سرگرمیوں کو بری طرح متاثر کیا جس سے نجی سرمایہ کاری کم ہوگئی۔ مالیاتی مجبوریوں کے باعث عوام کے اصراف اور سرمایہ کاری میں کمی واقع ہوئی۔ نجی سطح پر کمزور لیبر مارکیٹ اور بڑھتی ہوئی منہگائی کے باعث اصراف بھی سکڑ گیا۔

مالیاتی سال 2023ء میں ہیڈ لائن شرح افراطِ زر کئی دہائیوں کی بلندترین سطح یعنی 29.2 فی صد پر پہنچ گئی جو مالیاتی سال 2022ء میں 12.2 فی صد تھی۔ زرعی پیداوار اور سپلائی چین پر سیلاب سے پیدا رکاوٹوں، توانائی اور پیٹرولیم مصنوعات کی قیمتوں میں ردوبدل اور روپے کی قدر میں کمی اس کی بنیادی وجوہات ہیں۔ بڑھتے ہوئے افراط زر کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں اضافہ جاری رکھا جو 825 بیسز پوائنٹس (bps) مجموعی اضافے کے بعد مالیاتی سال 2023ء کے دوران 22.0 فی صد تک پہنچ گیا۔ اس کے باوجود، مانیٹری پالیسی منفی حقیقی شرح سود کے ساتھ کافی حد تک موافق رہی۔

سست نمو اور افراط زر کی بلند شرح کی وجہ سے مالیاتی سال 2023ء میں غربت کی شرح 39.4 فی صد تک پہنچ گئی جو مالیاتی سال 2022ء کے مقابلے میں 5 فی صد زائد ہے۔ خوراک اور توانائی کی قیمتوں میں ریکارڈ اضافہ، مزدوروں کی کم آمدنی اور

سال 2022ء میں سیلاب کے باعث فصلوں اور مویشیوں کے نقصان نے حقیقی گھریلو آمدنی کو بہت زیادہ متاثر کیا۔ کیش ٹرانسفرز میں عارضی اضافے اور یک بار فیول سبسڈی کے باوجود غریب اور نادار گھرانوں کی فلاح کے لئے ناکافی اصلاحاتی اقدامات ہیں۔

مالیاتی سال 2023ء میں سخت عالمی فائننسگ حالات کے باعث بیرونی سطح پر پاکستان کی پوزیشن کمزور ہوئی اور بھاری قرضوں کی ادائیگی اور سرمایہ داروں کے اعتماد میں کمی نے غیر ملکی ان فلو کو محدود کردیا۔ مالیاتی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ (CAD) کم ہو کر GDP کا 0.7 فی صد ہو گیا جو مالیاتی سال 2022ء میں GDP کا 4.7 فی صد تھا۔ درآمدات پر کنٹرول کے اقدامات، کمزور کرنسی اور بند معاشی سرگرمیوں کے باعث یہ ممکن ہوا جس سے برآمدات کے مقابلے میں درآمدات تیزی سے گر گئیں اور نتیجتاً تجارتی خسارہ بھی کم ہو گیا۔ دوسری جانب سرکاری سطح پر ترسیلات زر میں بھی سالہا سال کی بنیاد پر 13.6 فی صد کمی واقع ہوئی جو جزوی طور پر سرکاری شرح مبادلہ میں سختی کے باعث غیر روایتی ترسیلات زر کے ذرائع کو مراعات دینے کی وجہ سے ہوا۔ بھاری قرضوں کی ادائیگی اور سرمایے کے اصراف کی وجہ سے مالیاتی اکاؤنٹ بھی منفی ہو گیا جو ادائیگیوں کے توازن میں خسارہ سے منسوب کیا جاتا ہے۔ SBP کے مجموعی غیر ملکی زرمبادلہ کے زخائر 5.7 بلین ڈالر تک گر گر گئے جو جون 2023ء کے اختتام تک ایک ماہ کی درآمدات کے برابر تھے۔ بیرونی دباؤ میں اضافے کے باعث جون 2023ء کے اختتام تک امریکی ڈالر کے مقابلے میں روپے کی قدر میں 28.6 فی صد کمی واقع ہوئی۔

ابتدائی خسارے میں نمایاں کمی کے باوجود مجموعی مالیاتی خسارہ علاوہ گرانٹس مالیاتی سال 2022ء میں GDP کے 7.9 فی صد کے مقابلے میں معمولی کمی کے ساتھ 7.8 فی صد ہو گیا۔ اسے بلند پالیسی ریٹ کے باعث انٹرسٹ ادائیگیوں اور کمزور کرنسی کے رجحان میں نمایاں اضافے سے منسوب کیا جاتا ہے۔ مالیاتی سال 2022ء کے میں 3.1 فی صد سے مالیاتی سال 2023ء میں کم ہو کر GDP کا 0.8 فیصد ہو گیا جو سبسڈی اور گرانٹ کی صورت میں کم پبلک اخراجات سے منسوب کیا جارہا ہے۔ خاموش معاشی سرگرمی اور درآمدات میں کمی نے بالواسطہ ٹیکسوں حاصل آمدنی پر دباؤ ڈالا جس سے ٹیکس آمدنی میں اضافے کی حکومتی استعداد محدود ہو گئی۔ حکومت نے ابتدائی طور پر مالیاتی خسارے میں کمرشل بنکوں سے قرضوں کے ذریعے مالیاتی معاونت کی جس سے نجی شعبے سے حاصل قرضوں میں اضافہ ہو گیا۔ اگرچہ مالیاتی سال 2023ء کے اختتام پر بنک کے سرمایہ کا معقول تناسب (CAR) مالیاتی سال 2022ء کے مقابلے میں زیادہ تر تبدیل نہ ہوا لہٰذا مالیاتی شعبے کے خطرات علیحدہ اور قرضوں پر عمل درآدم میں معمولی اضافے کی وجہ سے بڑھ گئے۔ مالیاتی سال 2023ء کے اختتام تک بشمول ضمانتی قرضے GDP کا 82.3 فی صد ہو گئے جو مالیاتی سال 2022ء کے اختتام پر GDP کا 80.7 فی صد تھے۔

محتاط معاشی انتظام-بشمول شرح مبادلہ میں لچک، مالیاتی مجبوری اور مالیاتی سال 2024ء کے بجٹ پر عمل درآمد

اور IMF-SBA درکار رہوگا تا کہ رواں مالیاتی سال کے دوران کلی اقتصادی استحکام کو یقینی بنایا جاسکے۔ان اقدامات کے ساتھ بھی حالیہ معاشی گراف مزید مالیاتی ایڈجسٹمنٹ اور دیگر اصلاحات کے بغیر دائمی نہیں ہے۔غیر ملکی زر مبادلہ کی صورت حال حالیہ آئی ایم ایف پروگرام، رول اوورز، ری فائننسنگ اور سرکاری قرض خواہان سے حاصل ان فلوز کے باوجود بگڑتی جارہی ہے۔شرح مبادلہ میں مسلسل فرسودگی اور افراطِ زر کے دباؤ نے معاشی سرگرمی کو معدوم کر کے رکھ دیا۔بگڑتے ہوئے غیر ملکی زرمبادلہ کے ذخائر محفوظ کرنے اور جاری سپلائی چین رکاوٹوں کے باعث معاشی بحالی کی رفتار کو تیز کرنے کے لئے منتخب درآمدی پابندیاں درکار رہوں گی۔اعتماد میں خاطرخواہ کمی واقع ہوئی۔لہٰذا معاشی نمووسط مدت کے لئے سرمایہ کاری اور برآمدات میں بہتری نہ ہونے کی وجہ سے امکانات سے کافی کم رہنے کی توقع ہے۔گرتے ہوئے ملکی و بیرونی شاک سے نبردآزما ہونے کے لئے پالیسی اشاریوں کے ساتھ معاشی استعدادمحدود رہی لہٰذا آئندہ کے لئے خطرات میں اضافہ جاری رہے گا۔

نمواور درآمدات کی بحالی اوراخراجات پر جاری پابندیوں کے باعث آمدنی میں معمولی بہتری کے ساتھ ابتدائی خسارہ معتدل رہنے کی توقع ہے جو مالیاتی سال 2024ء میں GDP کا 0.4 فی صد اور مالیاتی سال 2025ء میں مزید 0.3 فی صد تک گر جائے گا۔البتہ، کمزور کرنسی اور بلند پالیسی ریٹس انٹرسٹ ادائیگیوں میں اضافہ کریں گے۔نتیجتاً، مالیاتی سال 2024ء کے دوران مالیاتی خسارہ 7.7 فی صد تک اور مالیاتی سال 2025ء میں 7.6 فی صد تک گر جائے گا۔قرضوں کی مجموعی ضروریات آئندہ مدتوں میں غیر موافق رہیں گی۔کیونکہ قلیل مدتی قرض (شارٹ ٹرم ڈیپازٹ کے ذریعے رول اوور ہونے کی توقع ہے)، کثیر وباہمی ادائیگیوں اور یوروبانڈ میچورٹی کے باعث واجب الادا چکا ہے۔مالیاتی سال 2024ء کے اختتام تک کل پبلک قرضہ بشمول ضمانتی قرضہ GDP کے 72.4 فی صد تک اور مالیاتی سال 2025ء کے اختتام تک 70.3 فی صد تک کم ہوجائے گا۔

کمپنی کی کارکردگی اور مالیاتی جائزہ

30 جون 2023ء کو اختتام پذیر سال کا گذشتہ مالیاتی سال کے مالیاتی نتائج سے موازنہ حسب ذیل ہے:

	سال مختتمہ 2023ء	سال مختتمہ 2022ء
	000' روپوں میں	
سیلز	**241,809**	1,256,326
سیلز پر لاگت	**(118,789)**	(903,253)
کل منافع	**123,020**	353,073
انتظامی و فروخت کے اخراجات	**(328,804)**	(287,494)
دیگر آمدنی	**120,632**	306,465
غیر ملکی کرنسی میں قابل تغیر بانڈ کے مبادلہ پر آمدنی/(خسارہ)	**(1,421,955)**	(818,893)
قرضوں پر لاگت	**(182,541)**	(156,128)
دیگر آپریٹنگ اخراجات	**-**	-
انویسٹمنٹ پراپرٹی کے FV میں تبدیلی پر آمدنی	**14,562**	9,606
خالص نفع/(نقصان) بمعہ ٹیکس	**(1,674,581)**	(593,371)
خالص نفع/(نقصان) علاوہ ٹیکس	**(1,677,604)**	(618,439)
فی حصص آمدنی/(خسارہ)(روپے)	**(6.02)**	(2.22)

زیر جائزہ سال کے دوران، کمپنی کی آمدنی گذشتہ برس میں 1,256 ملین روپے کی نسبت 241.81 ملین روپے رہی۔ سیلز پر لاگت میں گذشتہ برس 903 ملین روپے کے مقابلے میں 119 ملین روپے کی واقع ہوئی۔ کمپنی کی دیگر آمدنی 121 ملین روپے رہی۔ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث کمپنی نے غیر ملکی کرنسی میں تبدیلی کے قابل قرضوں پر 1,421 ملین روپے خسارہ برداشت کیا۔ مذکورہ مدت کے دوران قرضوں پر لاگت میں KIBOR میں تبدیلی کے باعث 156 ملین روپے سے 183 ملین روپے اضافہ ریکارڈ ہوا۔

مذکورہ بالا عوامل کی وجہ سے زیر جائزہ مدت کے دوران خسارہ گذشتہ برس میں 618 ملین روپے کے مقابلے میں 1,677

ملین روپے رہا جس کی وجہ سے فی حصص خسارہ گذشتہ برس میں 2.22 روپے کے مقابلے میں 6.04 روپے ریکارڈ ہوا۔

قرضوں کی صورت حال

طویل مدتی قرضوں کی حالیہ میچورٹی میں 30 جون 2022ء کے دوران 4.52 بلین روپے کے مقابلہ میں 30 جون 2023ء کو 5.93 بلین روپے اضافہ ریکارڈ ہوا۔ یہ اضافہ امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کے باعث فارن کرنسی کنورٹبل بانڈز پر ایکسچینج خسارے سے منسوب کیا جاتا ہے۔ مزید برآں، کمپنی کے قرضوں کی بابت کمپنی کے پاس محدود سرمایہ ہونے کے باعث قرضوں اور اس پر مارک اپ کی عدم ادائیگی کے باعث مالیاتی اداروں اور قرض خواہان کو بقیہ واجب الادا رقم کی ادائیگی کے لئے مقررہ تاریخ گزر چکی ہے۔ البتہ ہم پیس ٹاور کی تکمیل اور فروخت کا عمل شروع ہونے پر ہم مستقبل قریب میں مالیاتی قرض خواہان کو قرض کی ادائیگی کے فرائض ادا کرنے کے لئے پرامید ہیں۔ مزید برآں، کمپنی اپنے تاخیری واجبات کی ادائیگی کے لئے اپنے قرض خواہان کے ساتھ مذاکرات بھی کر رہی ہے۔

کمپنی کی کاروبار جاری رکھنے کی صلاحیت

کمپنی نے 1,675 ملین روپے خسارہ بمعہ ٹیکس برداشت کیا (593:2022 ملین روپے)۔ خسارے میں کمی/زیادتی سال 2023ء کے دوران 1,421 ملین روپے ایکسچینج خسارے سے منسوب کی جاتی ہے جب کہ کمپنی کی جانب سے فارن کرنسی کنورٹیبل بانڈز پر سال 2022ء میں 819 ملین روپے خسارہ ہوا تھا۔

رپورٹنگ تاریخ کو کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 5,250 ملین روپے (2022: 3,515 ملین روپے) سے تجاوز کر چکے ہیں جبکہ کمپنی کا مجموعی خسارہ 4,786 ملین روپے (2022: 3,122 ملین روپے) درج ہوا۔ لیکویڈٹی مسائل کے باعث کمپنی اپنے قرض خواہان کی طرف اپنے متعدد فرائض سرانجام دینے کے قابل نہ رہی جس میں قرضوں کی بابت پرنسپل اور اس پر مارک اپ کی ادائیگی شامل ہے۔ یہ حالات ظاہر کرتے ہیں کہ غیر یقینی کی واضح صورت حال اور حالات و واقعات کے پیش نظر کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں نمایاں ابہام موجود ہے لہٰذا وہ عمومی کاروباری امور میں اپنے واجبات کی ادائیگی اور اثاثہ جات سے مستفید ہونے کے قابل نہ ہے۔

انتظامیہ نے ایک تخمینہ لگایا ہے جو رپورٹنگ تاریخ سے بارہ ماہ تک کا احاطہ کرتا ہے اور انتظامیہ امید رکھتی ہے کہ مندرجہ ذیل اقدامات، اگر مؤثر انداز پر نافذ العمل ہو، پر عمل درآمد کی بدولت جاری امور کے لئے معقول مالیاتی وسائل پیدا ہوں گے:

انتظامیہ کمپنی کے قرضوں کی ادائیگی کے لئے اپنے قرض خواہان سے مسلسل رابطے میں ہے۔ مزید برآں، کمپنی کی انتظامیہ اپنے شاپنگ مال اسٹرکچر کو مشترکہ آفس سٹرکچر میں تبدیل کر دیا ہے۔ اس طرح کرایوں کی صورت میں بھاری منافع حاصل ہوگا۔

کرونا وائرس کے دوران عائد لاک ڈاؤن کے باعث پیس ٹاور کی تعمیر تعطل کا شکار ہے۔ البتہ انتظامیہ پر امید ہے کہ وہ

2024ء کے اختتام پر پیس ٹاور پروجیکٹ مکمل کرلے گی۔انتظامیہ پیس ٹاور کی بقیہ منازل/اپارٹمنٹس کی فروخت کے لئے خریدار تلاش میں فعال کردار ادا کر رہی ہے۔انتظامیہ پیس سرکل کی انوینٹری فروخت کے لئے بھی ضروری اقدامات کر رہی ہے۔

مزید برآں، کمپنی پاکستان کی معروف ریئل اسٹیٹ ایجنسی zameen.com کے ذریعے اپنے شادمان پراجیکٹ کی فروخت کا آغاز کرنے والی ہے۔علاوہ ازیں، کمپنی کے پاس اسلام آباد پلازہ، دی پام اور پیس شاپنگ مال میں کئی دکانوں پر مشتمل قابل فروخت انوینٹری موجود ہے۔انتظامیہ پرامید ہے کہ ان انوینٹریز کی فروخت سے عرصہ تین سال کے اندر خاطر خواہ آمدنی حاصل ہوگی۔ایسی فروخت سے حاصل آمد کمپنی کے آپریٹنگ کیش فلو کو بہتر کرنے اور واجبات کی ادائیگی میں مدد دے گی۔

رسک مینجمنٹ

بورڈ کو علم ہے کہ کسی بھی کاروبار میں خطرہ بنیادی عوامل میں سے ایک ہے اور یہ کہ اس میں خطرہ اور مواقع دونوں شامل ہوتے ہیں۔پیس فیصلہ سازی کے تمام امور میں خطرے سے آگاہی کے کاروباری کلچر کو مضبوط کرنے پر یقین رکھتا ہے۔پیس رسک مینجمنٹ کے ذریعے خطروں سے نبرد آزما ہونے کے لئے مؤثر انداز میں اور بروقت عمل کرنے میں بھی یقین رکھتا ہے۔اس عزم اعادہ کرنے کے لئے ادارے میں ہر سطح پر لئے گئے فیصلوں کی بابت انتظامیہ کو آگاہ کرنے کے لئے غرض سے خطرے کا جائزہ لیا جاتا ہے۔کسی بھی رسک مینجمنٹ سسٹم میں موجود حدود و قیود کے پیش نظر کاروباری خطرات کی نشاندہی، تخمینہ اور انتظام کا عمل خطرے کو ختم کرنے کی بجائے کنٹرول کرنے کے لئے استعمال ہوتا ہے اور مادی بے یقینی یا خطرے کے برعکس یہ کلی کی بجائے جزوی یقین دہانی کراتا ہے۔قدرتی آفات جیسے مخصوص خطرات کو داخلی نظم وضبط کے ذریعے قابل قبول سطح پر ضبط نہیں کیا جاسکتا۔ایسے بڑے خطرات کو حسب ضرورت طے شدہ شرائط پر مقامی انشورنس مارکیٹ میں فریق ثالث کو منتقل کر دیا جاتا ہے۔

داخلی نظم وضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی نظم وضبط کے سسٹم کے نفاذ اور سالانہ مؤثر نظر ثانی کے لئے ذمہ دار ہیں تاکہ وہ اپنے سٹیک ہولڈرز کو ان کی سرمایہ دار پر معقول منافع دے سکیں جو خطرات کے ذمہ دار تعین اور انتظام سے منسلک ہوتا ہے۔اس میں مالیاتی، آپریشنل اور تعمیلی کنٹرولز اور رسک مینجمنٹ طریقہ ہائے کار اور ان پر متاثر عمل درآمد پر نظر ثانی شامل ہے۔ڈائریکٹرز نے 2023ء کو اختتام پذیر سال کے لئے اپنا سالانہ جائزہ اور تخمینہ مکمل کرلیا ہے۔

بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک سے متعلق انٹرنل آڈٹ فنکشن پر باقاعدگی سے نظر ثانی کرتے ہیں تاکہ داخلی نظم و

ضبط کے امور پر عمل درآمد کی تسلی ہو جائے۔ کمپنی کا انٹرنل آڈٹ فنکشن کنٹرول سرگرمیوں کی مضبوطی اور موٴثر عمل درآمد پر نظر ثانی کرتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے رپورٹ کرتا ہے۔

تنوع کے لئے ہمارا عزم

پیس میں ہم یقین رکھتے ہیں کہ ہم اپنے کاروباری مقامات اور اس کے تمام شعبوں میں ایسا مربوط کلچر قائم کرنے کے لئے کوشاں ہیں جہاں اختلافات کو تسلیم کیا جاتا ہے اور ان کی قدر کی جاتی ہے۔ مہارتوں، تجربات اور صلاحیتوں میں اضافہ کرنے کے لئے متغیر پس منظر کے حامل خواتین وحضرات کو اکٹھا کر کے اور ہر فرد کو مساوی مواقع فراہم کر کے ہم تمام مسائل کا بہترین حل نکالنے اور اپنے سٹیک ہولڈرز کو پائیدار منافع فراہم کرنے پر یقین رکھتے ہیں۔

صحت اور تحفظ کے لئے اقدامات

ہم صفر ضرر کے ہدف کو حاصل کرنے کے لئے پرعزم ہیں۔ ہمارا انتظامی سسٹم اس طرح مرتب کیا گیا ہے جو ہمارے کاروباری امور کے تمام پہلوؤں میں خطرات کی نشاندہی، تعین اور انتظام کے لئے ایک فریم ورک مہیا کرتا ہے۔ اپنے ملازمین اور اثاثہ جات کے تحفظ کو یقینی بنانے کے لئے محفوظ کاروباری امور ہماری اولین ترجیح ہیں۔ ہم محفوظ کاروباری امور پر اثر انداز ہونے والے بنیادی خطرات پر قابو پانے کے لئے مربوط انداز میں کام کرتے ہیں۔

ہم حفاظتی خطرات کی بابت انتظامی امور، کام کے لئے صحت مند رہنے کی عقل وفہم اور کام کی جگہ پر سلیت کے خطرات پر بہتر انداز میں قابو پانے کے لئے اپنی قیادت میں شعور بیدار کرتے ہیں۔

پیشہ ورانہ حفظان صحت کمپنی کی اولین ترجیح ہے۔ ہم کام کے حالات، سامان اور ورک سائٹس کو یقینی بنانے کے لئے کوشاں ہیں۔ کمپنی خطرناک حالات اور درپیش ضرر کے خطرات کی نشاندہی، تدارک اور خاتمہ میں ملازمین کی شمولیت اور جوابدہی کی حوصلہ افزائی کرتی ہے۔

کام کی جگہ پر صحت اور تحفظ، مصنوعات کا معیار اور آپریٹنگ کارکردگی ایک دوسرے کے لازم وملزوم ہیں۔ کمپنی انتظامیہ، ملازمین اور انجمنوں کے باہمی تعاون کے ذریعے صحت اور تحفظ کی کارکردگی میں مسلسل پیش رفت کو یقینی بنائے گی جس کی مدد سے ملازمین کی حفظان صحت اور ادارے کی کامیابی میں مدد ملے گی۔

کمپنی مندرجہ ذیل کے لئے پرعزم ہے:

- انتظامی امور کے تمام شعبوں میں ملازمین کی حفظان صحت کو اولین ترجیح دینا۔
- ملازمین کی شمولیت، کام کی جگہ کے مخصوص قواعد اور کام کے محفوظ طریقہ ہائے کار کی تیاری، اعلان اور نفاذ
- بہتری کے جاری عمل میں ملازمین کی شمولیت کے ذریعے حفظان صحت میں ملازمین کی آگاہی، قیادت اور جوابدہی کو

پروان چڑھانا

- مروجہ قواعد کے تحت حفظان صحت پر کارکردگی کا تعین کرنا اوراس کے نتائج سے متعلق ملازمین کو مطلع کرنا۔

کاروباری وسماجی ذمہ داری

کمپنی کی انتظامیہ متعدد غیر منافع بخش اداروں کو اپنے شاپنگ مالز پر خیراتی سرگرمیوں پر کام کی اجازت دیتی ہے۔جس میں اپنے مواد کی تقسیم ونمائش اورڈبوں وغیرہ کے ذریعے عطیات اکٹھا کرنا شامل ہیں۔

افراداورانسانی وسائل کی ترویج

افراداوراپنے ملازمین کی جانب ہماری حکمت عملی ایسا فریم ورک وضع کرتی ہے جو ہماری کاروباری حکمت عملی کے عین مطابق اپنے عملے کو برقرار رکھنے، ان کی تربیت اورشمولیت کے لئے رہنمائی فراہم کرتا ہے۔اپنی ملازمت کی پالیسی کے مطابق ہم گروپ کے اندرتمام سطحوں پر مؤثر اورمحفوظ ورکنگ تعلقات بنانے کے لئے کوشاں ہیں۔

ہم ملازمت کے معیارات کی بنیاداورعمر، رنگ، نسل، جنس، جنسی ہیئت، سیاست، مذہب یا معذوری کی بنیاد پر غیر جانبدارانہ رویہ پر مشتمل قوانین پر عمل کرتے ہوئے بھرتی کرتے ہیں۔

ہمارے ملازمین کی مہارت، خیالات اور تجربات میں تنوع یہ یقینی بنانے میں مدد کرتا ہے کہ ہم کمپنی کو درپیش چیلنجز سے جدید اورحساس بنیادوں پر حل کریں۔کمپنی کا ہیومن ریسورس ڈیویلپمنٹ مضبوط اقدار پر قائم ہوتا ہے۔یہ پالیسیاں تمام ملازمین میں اعتماد، شفافیت اورسالمیت کی روح پھونکتی ہیں اوراس طرح مسلسل ترقی میں اپنا حصہ ڈالتی ہیں۔

ہماراایک مکمل ایچ آر ڈیپارٹمنٹ ہے جوایسے تمام امور کوسرانجام دینے کا ذمہ دار ہے۔ہم اپنے ملازمین کو پرکشش معاوضے کا پیکیج پیش کرتے ہیں جس کے اصول تمام شعبوں میں یکساں ہیں۔یہ پیکیج متقابل بھی ہیں اور جملہ مروجہ قوانین وضوابط کی تعمیل میں ان کومناسب انداز میں متوازن کیا گیا ہے۔

تخصیصات

کمپنی کی مالیاتی پابندیوں اورضروریات کے پیش نظر بورڈ نے زیر جائزہ سال کے لئے منافع منقسمہ کی سفارش نہیں کی ہے۔

ایگزیکٹو کا معاوضہ

کمپنی کے چیف ایگزیکٹو آفیسر اور ایگزیکٹو کا معاوضہ حسب ذیل ہے:

ڈائریکٹرز

	چیف ایگزیکٹو آفیسر	ایگزیکٹو ڈائریکٹر

	2023ء	2022ء	2023ء	2022ء

............روپے ہزاروں میں............

انتظامی معاوضہ	**7,600**	7,600	**2,725**	2,726
ہاؤسنگ الاؤنس	**3,040**	3,040	**1,090**	1,091
سہولیات	**760**	760	**273**	272
سٹاف ریٹائرمنٹ مراعات-گریجوایٹی	**950**	950	**341**	341
تعطیلات کا معاوضہ	**633**	633	**227**	227
میزان	**12,983**	12,983	**4,656**	4,657
تعداد افراد	**1**	1	**1**	1

کوڈ آف کارپوریٹ گورننس

''لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء'' کو نافذ کیا گیا ہے۔ بورڈ اور بورڈ کمیٹیوں کی ترکیب کوڈ آف کارپوریٹ گورننس کے قواعد کے تحت کی گئی ہے۔

نئے بورڈ آف ڈائریکٹرز کا انتخاب

کمپنی نے 02 مئی 2023ء کو منعقدہ غیر معمولی اجلاس عام میں رائے شماری کی اور مندرجہ ذیل بورڈ کی تقرری کی گئی:

اے سکندر رشید چوہدری (نئی تقرر)	چیئرمین/خود مختار ڈائریکٹر
آمنہ تاثیر	CEO
شہریار علی تاثیر	ڈائریکٹر
شہباز علی تاثیر	ڈائریکٹر
شہر بانو تاثیر	ڈائریکٹر
شاویز احمد	خود مختار ڈائریکٹر
شیخ آفتاب احمد (نئی تقرری)	خود مختار ڈائریکٹر

کمپنی کے ڈائریکٹر میاں احسان الحق 06 جنوری 2023ء کو وفات پا گئے اور مسٹر عمیر فخر عالم کو اُن کی جگہ بورڈ کا شریک ڈائریکٹر مقرر کیا گیا۔ بعدازاں، کنور لطافت علی خان اور عمیر فخر عالم ریٹائر ہو گئے اور مسٹر سکندر رشید چوہدری اور شیخ آفتاب احمد کا انتخاب کیا گیا۔

مسز آمنہ تاثیر کی بطور کمپنی چیف ایگزیکٹو آفیسر کی اگلے تین برس کے لئے دوبارہ تقرری ہوئی۔جن کا ماہانہ معاوضہ -/950,000روپے بمعہ کمپنی مراعات مقرر ہوا۔

بورڈ کی ترکیب حسب ذیل ہے:

ڈائریکٹرز کی کل تعداد	07
a) مرد:	05
b) خاتون:	02

ترکیب:

خودمختار ڈائریکٹرز	03
دیگر نان ایگزیکٹو ڈائریکٹرز	01
ایگزیکٹو ڈائریکٹرز	03

بورڈ کمیٹیاں

آڈٹ کمیٹی	شاویز احمد (چیئرمین)
	شہر بانو تاثیر (رکن)
	سکندر رشید چوہدری (رکن)
ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی	شاویز احمد (چیئرمین)
	آمنہ تاثیر (رکن)
	شہر بانو تاثیر (رکن)

کوڈ آف کارپوریٹ گورننس کا تعمیلی بیان لف ہذا ہے۔

آڈیٹرز

حالیہ آڈیٹرز میسرز گرانٹ تھارنٹن انجم رحمٰن اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے باہمی طے شدہ معاوضے پر 30 جون 2024ء کو اختتام پذیر سال کے لئے ان کی تقرری کی سفارش کی ہے۔

سالمیت اور تعمیل

پیس میں کام کے دوران ہم بنیادی طور پر مضبوط اور اخلاقی کلچر کو برقرار رکھتے ہیں۔ہم اپنا کاروبار سالمیت سے کرنے کے لئے پر

عزم ہیں جو ہماری بنیادی اقدار میں سے ایک ہے اور ہم یقین رکھتے ہیں کہ ہماری اقدار اور بہتر اخلاقی معیار ہماری حکمت عملی کو عملی جامہ پہنانے کے لئے انتہائی اہم ہے۔
ہم گورننس اور تجارتی رازداری کے عین مطابق شفافیت کے لئے دل و جان سے پرعزم ہیں۔ ہم مختلف ذرائع سے گروپ کے آپریشن، مالیات اور پائیدار ترقیاتی کارکردگی کی معلومات بروقت بہم پہنچاتے ہیں۔

قوانین، اصول وضوابط کی تعمیل

ملازمین سے قوانین، اصول وضوابط کی مکمل تعمیل کی توقع کی جاتی ہے جو کمپنی کے کاروبار اور کاروباری امور پر لاگو ہوتے ہیں۔ ملکی و مقامی قوانین اور کمپنی کے کاروباری مقامات میں نافذ العمل قوانین پر عمل درآمد کمپنی کی پالیسی ہے۔ قانونی پہلوؤں کے علاوہ ملازمین سے کمپنی کی پیشہ ورانہ ساکھ کوملحوظ خاطر رکھتے ہوئے ہمہ وقت دیانتداری سے کام کرنے اور بہترین اخلاقیات اور کاروباری ضوابط پر عمل درآمد کا مظاہرہ کرنے کی توقع کی جاتی ہے۔

ڈائریکٹرز کی تجارت

زیر جائزہ سال کے دوران ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت کا کوئی پہلو سامنے نہیں آیا ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017ء کے سیکشن (f)(2)227 اور لسٹنگ ضوابط کے تحت درکار شیئر ہولڈنگ کا پیٹرن لف ہذا ہے۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ نوٹس اور مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، سرمایہ اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتے ہیں۔
- کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار کررکھی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور درست فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی قواعد کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے انحراف (اگر کوئی ہے) کو مناسب انداز میں ظاہر کیا گیا ہے۔
- کمپنی کے آپریٹنگ نتائج میں گذشتہ چھے برس کے دوران نمایاں انحراف کو واضح کیا گیا ہے اور اس کی وجوہات کی قبل ازیں وضاحت کی گئی ہے۔

- ٹیکس، ڈیوٹی، لیوی اور چارجز کی بابت لازمی واجب الادا رقوم کو مالیاتی اسٹیٹمنٹس کے نوٹ 15 میں ظاہر کیا گیا ہے۔
- قرضوں اور دیگر ڈیبٹ انسٹرومنٹس کی معلومات جس میں کمپنی نادہندہ ہے یا نادہندہ ہونے والی ہے مالیاتی اسٹیٹمنٹس کے نوٹ-17 میں بیان کی گئی ہیں۔

مستقبل کا منظرنامہ

پیس ٹاورز کی صورت میں 2020-2021 کے دوران اہم ترقیاتی منصوبوں کی تکمیل اور نمایاں سرمایہ کاری اور پیس سرکل میں حصص کے ذریعے ہم غیر منافع بخش اثاثہ جات کو منافع بخش اثاثہ جات میں تبدیل کر کے کامیابی سے اپنے سرمایہ میں نمایاں اضافہ کرلیں گے۔

بورڈ آف ڈائریکٹرز نے پیس برکہ پراپرٹیز لمیٹڈ کو ایکویٹی کی صورت میں 1,750 ملین روپے (ایک ہزار سات سو پچاس ملین روپے) تک کی اضافی سرمایہ کاری کی تجدید کو منظور کیا جسے گذشتہ برس بھی منظور کیا گیا تھا۔ بورڈ نے سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس اور متعلقہ معلومات بذریعہ QR کوڈ اور ویب لنک ارسال کرنے کی بھی منظوری دی۔ مزید برآں، بورڈ نے کمپنی کے CEO کو بورڈ آف ڈائریکٹرز کو پیش اور منظور کردہ شرائط وضوابط کے تحت حسب ضرورت مکمل سرمایہ داری کو نکالنے کا مجاز ٹھہرایا ہے۔

آئندہ برسوں میں چونکہ ہم اپنے کیپٹل سٹرکچر میں بہتری کے لئے کوششیں جاری رکھیں گے لہٰذا موقع ملنے پر ہم مربوط سرمایہ داری کے فیصلے کرنے کے لئے پرعزم ہیں۔

گنجان آباد علاقوں کی پرائم لوکیشن پر واقع پرکشش اثاثہ جات اور املاک اور اپنی عظیم ٹیم کے ساتھ ہم پرامید ہیں کہ سرمایہ دار ہمارے بنیادی اثاثہ جات پر پاکستان کے رئیل اسٹیٹ شعبہ میں بطور معیاری، جدت پسند کمپنی بھرپور توجہ دیں گے جس میں ترقی کے لئے باقاعدہ اور منفرد پلیٹ فارم موجود ہے۔

ہماری لاثانی ٹیم نے مشکل حالات میں غیر معمولی کام کیا ہے اور ہم ان کی انتھک محنت، جذبہ اور کمپنی کے ساتھ وفاداری کو خراج تحسین پیش کرتے ہیں۔

برائے/منجانب بورڈ آف ڈائریکٹرز

06 اکتوبر 2023ء

ڈائریکٹر

چیف ایگزیکٹو آفیسر

FORM 34

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

1. CUIN (Registration Number) 0028954

2 Name of the Company PACE PAKISTAN LIMITED

3. Pattern of holding of the shares held by the shareholders as at 30-06-2023

4. No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
1790	1	100	132,387
921	101	500	394,853
3193	501	1,000	2,187,180
1999	1,001	5,000	5,773,994
799	5,001	10,000	6,620,112
303	10,001	15,000	3,952,257
263	15,001	20,000	4,866,796
156	20,001	25,000	3,674,413
114	25,001	30,000	3,249,069
69	30,001	35,000	2,301,780
84	35,001	40,000	3,263,930
44	40,001	45,000	1,923,685
110	45,001	50,000	5,438,261
32	50,001	55,000	1,697,628
38	55,001	60,000	2,230,500
24	60,001	65,000	1,511,848
26	65,001	70,000	1,789,000
25	70,001	75,000	1,835,916
27	75,001	80,000	2,128,500
20	80,001	85,000	1,652,776
13	85,001	90,000	1,156,000
12	90,001	95,000	1,123,669
70	95,001	100,000	6,981,500
10	100,001	105,000	1,023,843
11	105,001	110,000	1,191,500
6	110,001	115,000	673,000
9	115,001	120,000	1,068,000
10	120,001	125,000	1,242,951
10	125,001	130,000	1,283,511
7	130,001	135,000	932,500
6	135,001	140,000	832,000
5	140,001	145,000	720,000
20	145,001	150,000	2,989,500
3	150,001	155,000	455,000
1	155,001	160,000	156,000
2	160,001	165,000	326,001
1	165,001	170,000	165,500
3	170,001	175,000	523,500
3	175,001	180,000	530,000

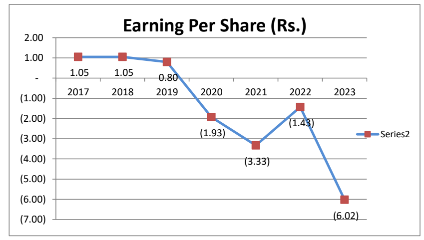
5	180,001	185,000	914,891
8	185,001	190,000	1,513,000
6	190,001	195,000	1,164,000
20	195,001	200,000	3,995,000
5	205,001	210,000	1,041,500
1	210,001	215,000	215,000
6	215,001	220,000	1,306,500
1	220,001	225,000	225,000
3	225,001	230,000	682,000
1	235,001	240,000	238,500
7	245,001	250,000	1,744,000
1	250,001	255,000	250,500
2	255,001	260,000	519,000
4	260,001	265,000	1,048,500
1	265,001	270,000	267,000
1	270,001	275,000	275,000
2	275,001	280,000	557,500
3	280,001	285,000	846,000
2	285,001	290,000	579,500
3	290,001	295,000	881,500
12	295,001	300,000	3,593,500
1	300,001	305,000	305,000
1	305,001	310,000	307,500
1	320,001	325,000	322,500
1	325,001	330,000	327,500
2	335,001	340,000	677,500
4	345,001	350,000	1,397,500
1	350,001	355,000	350,500
2	365,001	370,000	735,500
1	370,001	375,000	371,500
3	375,001	380,000	1,133,711
1	380,001	385,000	383,500
8	395,001	400,000	3,199,000
1	405,001	410,000	408,000
5	415,001	420,000	2,087,191
2	420,001	425,000	846,100
2	425,001	430,000	855,716
1	430,001	435,000	432,000
1	435,001	440,000	437,583
2	445,001	450,000	898,500
1	450,001	455,000	453,000
1	460,001	465,000	463,838
1	470,001	475,000	475,000
5	495,001	500,000	2,500,000
1	525,001	530,000	525,500
1	530,001	535,000	535,000
1	535,001	540,000	539,387
1	545,001	550,000	550,000
1	550,001	555,000	550,001
1	580,001	585,000	585,000
4	595,001	600,000	2,400,000
1	600,001	605,000	605,000
1	615,001	620,000	619,500
1	645,001	650,000	650,000
1	655,001	660,000	659,000
1	700,001	705,000	702,500

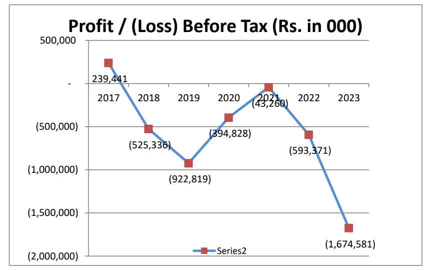
2	710,001	715,000	1,427,628
2	725,001	730,000	1,456,500
1	730,001	735,000	730,500
1	745,001	750,000	750,000
2	765,001	770,000	1,539,500
1	810,001	815,000	814,082
9	830,001	835,000	7,496,683
1	845,001	850,000	850,000
1	875,001	880,000	880,000
1	895,001	900,000	900,000
1	930,001	935,000	932,000
1	955,001	960,000	960,000
1	980,001	985,000	984,000
1	995,001	1,000,000	1,000,000
1	1,010,001	1,015,000	1,013,500
1	1,095,001	1,100,000	1,100,000
1	1,105,001	1,110,000	1,110,000
1	1,150,001	1,155,000	1,155,000
1	1,160,001	1,165,000	1,162,500
1	1,245,001	1,250,000	1,250,000
1	1,250,001	1,255,000	1,254,500
1	1,365,001	1,370,000	1,370,000
1	1,370,001	1,375,000	1,371,500
1	1,405,001	1,410,000	1,405,500
1	1,470,001	1,475,000	1,474,500
1	1,565,001	1,570,000	1,565,500
1	1,720,001	1,725,000	1,721,500
1	1,815,001	1,820,000	1,817,000
1	1,910,001	1,915,000	1,913,500
1	2,020,001	2,025,000	2,023,000
1	2,145,001	2,150,000	2,150,000
1	2,195,001	2,200,000	2,200,000
1	2,390,001	2,395,000	2,390,268
1	2,980,001	2,985,000	2,982,695
1	3,295,001	3,300,000	3,300,000
1	3,905,001	3,910,000	3,910,000
1	4,295,001	4,300,000	4,300,000
1	4,425,001	4,430,000	4,426,200
1	4,565,001	4,570,000	4,569,194
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
10,450			278,876,604

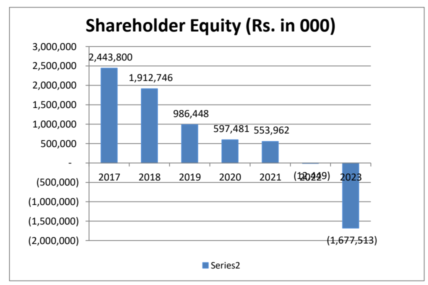
5	Categories of shareholders	Shares held	Percentage
5.1(a)	**Directors, CEO and their Spouse and Minor Children**		
	Aamna Taseer	587	0.00021
	Shahbaz Ali Taseer	987	0.00035
	Shahryar Ali Taseer	28,000	0.01004
	Shehrbano Taseer	500	0.00018
	Shavez Ahmad	500	0.00018
	Sikandar Rashid Choudhry	525,500	0.18843
	Sheikh Aftab Ahmed	500	0.00018
5.1 (b)	Chief Executive Officer		
	(587) share of (Aamna Taseer CEO)	-	-
5.1(c)	Directors spouse & minor children	-	-
	Mr. Salmaan Taseer (Late)	587	0.00021
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
	c) Sisley Group of Company Limited	27,546,000	9.87749
5.3	NIT and ICP	425,716	0.15265
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 intrest	-	-
5.8	General Public		
	a) Local	188,457,336	67.57732
	b) Foreign	9,610,482	3.44614
	b) Foreign Companies/Orginzations/Individual / (repatriable I Refer 5.2 (c) above	21,803,661	7.81839
5.9	Others		
	a) Joint Stock Companies	13,087,600	4.69297
	b) Others	660,435	0.23682
	b) Pension fund Provident Fund etc.	-	-
		278,876,604	100.00000

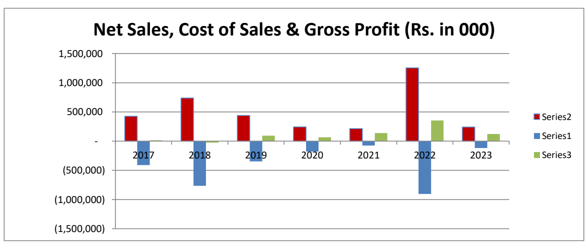
Pace (Pakistan) Limited
KEY OPERATING AND FINANCIAL INDICATORS

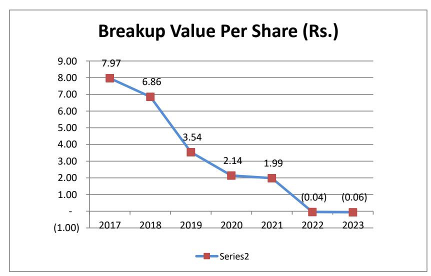
KEY INDICATORS					Rupees in thousands			
		2017	2018	2019	2020	2021	2022	2023
Operating result								
Net Sales		425,574	737,452	440,345	244,124	214,024	1,256,326	241,809
Cost of Sales		(409,780)	(764,122)	(346,475)	(177,674)	(75,761)	(903,253)	(118,789)
Gross profit/(loss)		15,794	(26,670)	93,870	66,450	138,263	353,073	123,020
Profit / (loss) from operation		371,850	(411,285)	(65,403)	(173,884)	(70,896)	372,044	(85,153)
Profit / (loss) before tax		239,441	(525,336)	(922,819)	(394,828)	(43,260)	(593,371)	(1,674,581)
Profit /(loss)after tax		224,135	(537,062)	(929,252)	(397,879)	(46,322)	(618,439)	(1,677,604)
Financial Position								
Shareholder's equity		2,443,800	1,912,746	986,448	597,481	553,962	(12,449)	(1,677,513)
Property,plant & Equipment		452,471	452,159	468,464	601,264	570,607	568,813	549,192
Net current assets		(2,243,402)	(972,419)	(1,923,502)	(2,434,476)	(2,269,322)	(3,514,749)	(5,249,870)
Profitability								
Gross profit /(loss)	%	3.71	(3.62)	21.32	27.22	28.10	28.10	50.87
Operating profit /(loss)	%	87.38	(55.77)	(14.85)	(71.23)	29.61	29.61	(35.21)
Profit /(loss) before tax	%	56.26	(71.24)	(209.57)	(161.73)	(47.23)	(47.23)	(692.52)
Profit /(loss) after tax	%	52.67	(72.83)	(211.03)	(162.98)	(49.23)	(49.23)	(693.77)
Performance								
Fixed assets turnover	Times	0.94	1.63	0.94	0.41	0.38	2.21	0.44
Return on equity	%	9.61	(24.66)	(64.10)	(50.24)	(8.05)	(228.41)	(198.54)
Return on capital employed	%	14.62	(20.45)	(3.25)	(22.29)	(0.64)	200.94	5.76
Liquidity								
Current Ratio	Times	0.49	0.79	0.67	0.61	0.63	0.47	0.37
Quick	Times	0.17	0.37	0.19	0.15	0.15	0.13	0.06
Valuation								
Earning per share	Rs	1.05	1.05	0.80	(1.93)	(3.33)	(1.43)	(6.02)
Break up vale per share	Rs	7.97	6.86	3.54	2.14	1.99	(0.04)	(0.06)

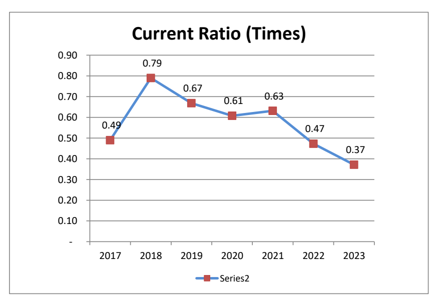












STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

PACE (PAKISTAN) LIMITED
FOR THE YEAR ENDED JUNE 30 2023

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

1.	The total number of directors are <u>seven</u> as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of Board is as follows:	
(i)	Independent Directors	03
(ii)	Other Non-Executive Directors	01
(iii)	Executive Directors (*)	03
(iv)	Female Directors	02
(*)	Currently, three Directors of the Company devotes their whole or substantially the whole time, therefore have categorized as Executive Directors.	
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. Shahbaz Ali Taseer
		Mr. Shehryar Ali Taseer
		Miss Shehrbano Taseer
		Sheikh Aftab Ahmad
	(Name of Executive & Designation (if applicable)	Shahzad Jawahar, Chief Compliance Officer

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)	Shavez Ahmad, (Chairman) Shehrbano Taseer, (Member) Sikander Rashid Choudry, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Shavez Ahmad, (Chairman) Aamna Taseer, (Member) Shehrbano Taseer, (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.	

For and on behalf of the Board

Sikander Rashid Choudry
Chairman
Lahore, 06 October 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACE PAKISTAN LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN 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, 2023 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 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 Regulations require 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. 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.

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 the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Lahore.

UDIN: CR202310196OFMeDK70y

Dated: 06 OCT 2023

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 unconsolidated financial statements of ***Pace Pakistan Limited*** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and 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, (here-in-after referred to as "the unconsolidated financial statements") 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 financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows 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, 2023 and of the loss and other comprehensive income, 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 indicates that the Company has accumulated losses amounting Rs 4,786.581 million as at June 30, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 5,249.87 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. 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.

Following are the Key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Revenue** Refer to notes 6.15 and 30 to the unconsolidated financial statements. The Company recognized revenue of Rs. 241.809 million during the year ended June 30, 2023, being both at a point in time and over the time depending on the nature of contracts with customer We identified recognition of revenue as a key audit matter because it involves the use of significant judgement to evaluate whether the contracts has commercial substance or not. Further it involves judgement in evaluating whether collectability of an amount of consideration is probable. Further there is an inherent risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to revenue recognition and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; and • performing test of details procedures over revenue recorded and cost incurred on project during the year; • evaluating the adequacy of financial disclosures, including disclosures of key assumptions and judgements; • proposing adjustment for revenue recorded, where collectability of consideration is less then probable; • 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	**Valuation of investment property** Refer to notes 6.4 and 20 to the unconsolidated financial statements. The investment property of the company comprise freehold land and building on freehold land As at 30 June 2023, the carrying value of investment properties was at Rs 1,898.694 million	Our procedures included, but were not limited to; • 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 evaluation process and assumption which the valuer has

	The company has adopted the fair value model for valuation of its investment properties. Under this said model it is required to measure all investment properties at fair value at each reporting date. Changes in fair value are recognized in unconsolidated statement of profit and loss We considered this as key audit matter due to the significant carrying value of investment properties and significant judgements estimations involved in determining the fair value	adopted to assess if they are consistent with the industry norms, market condition and general prevailing economic circumstances • Confirming the valuation approach was in accordance with the International Financial reporting standards and suitable for use in determining the fair value of properties classified as Investment property; • recalculating the fair value gain/loss on investment property during the year; • Assessing the valuer's competence and capabilities • Evaluating the adequacy of disclosures in the financial statements, including the disclosures in the financial statements, including disclosures of key assumptions and judgements.

Information Other than 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 June 30, 2023, 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 auditor's 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 the adverse consequences of doing so would reasonably 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 and unconsolidated other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows 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 Pace Pakistan Limited for the year ended June 30, 2022, were audited by another auditor whose report dated October 07, 2022 expressed an unmodified opinion with material uncertainty relating to going concern.

The engagement partner on the audit resulting in this independent auditor's report is Shoaib Ahmad Waseem.

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Lahore
UDIN: AR202310196X3vc0TbBx
Date: 06 OCT 2023

Pace (Pakistan) Limited
Unconsolidated Statement of Financial Position
As at 30th June 2023

EQUITY AND LIABILITIES	Note	2023	2022
		--- (Rupees in thousand) ---	
Share capital and reserves			
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
Revaluation Surplus		47,037	47,037
Accumulated loss		(4,786,581)	(3,121,517)
		(1,677,513)	(12,449)
Non-current liabilities			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	149,662	151,176
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	49,157	46,424
		198,819	197,600
Current liabilities			
Contract liability	13	247,894	218,730
Current maturity of long term liabilities	14	5,933,174	4,525,630
Creditors, accrued and other liabilities	15	820,987	719,843
Accrued finance cost	16	1,348,745	1,203,734
		8,350,800	6,667,937
Contingencies and commitments	17		
		6,872,106	6,853,088

ASSETS	Note	2023	2022
		--- (Rupees in thousand) ---	
Non-current assets			
Property, plant and equipment	18	540,192	568,813
Intangible assets	19	2,493	2,995
Investment property	20	1,898,694	1,803,239
Lease Receivable	21	109,040	104,096
Contract Asset	30.2	356,817	356,817
Long term investments	22	850,321	850,321
Long term advances and deposits	23	13,619	13,619
Deferred taxation	24	-	-
		3,771,176	3,699,900
Current assets			
Stock-in-trade	25	2,441,656	2,312,160
Trade debts	26	518,936	703,149
Advances, deposits, prepayments and other receivables	27	85,709	90,468
Lease Receivable	21	5,702	5,069
Income tax refundable - net	28	29,291	19,909
Cash and bank balances	29	19,636	22,433
		3,100,930	3,153,188
		6,872,106	6,853,088

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Revenue	30	**241,809**	1,256,326
Cost of Revenue	31	**(118,789)**	(903,253)
Gross Profit		**123,020**	353,073
Administrative and selling expenses	32	**(328,804)**	(287,494)
Other income	33	**120,632**	306,465
Other expenses		**-**	-
Profit/ (Loss) from operations		**(85,153)**	372,044
Finance cost	34	**(182,541)**	(156,128)
Exchange loss on foreign currency convertible bonds	11.2	**(1,421,449)**	(818,893)
Gain from change in fair value of investment property		**14,562**	9,606
Loss before Taxation		**(1,674,581)**	(593,371)
Taxation	35	**(3,023)**	(25,068)
Loss after Taxation		**(1,677,604)**	(618,439)
(Loss) / earning per share - basic and diluted	36	**(6.02)**	(2.22)

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Loss for the year		**(1,677,604)**	(618,439)
Other comprehensive income for the year			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of net defined benefit liability	12	**6,270**	4,991
Revaluation Surplus on transfer		-	47,037
Total comprehensive loss for the year		**(1,671,334)**	(566,411)

The annexed notes from 1 to 46 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 2023

	Issued, subscribed and paid-up capital	Capital reserve: Share premium	Capital reserve: Revaluation Surplus	Revenue reserve: Accumulated loss	Total
	--- (Rupees in thousand) ---				
Balance as at 30 June 2021	2,788,766	273,265	-	(2,508,069)	553,962
Total comprehensive loss for the year ended 30 June 2021					
Loss after taxation	-	-	-	(618,439)	(618,439)
Other comprehensive income	-	-	47,037	4,991	52,028
	-	-	47,037	(613,448)	(566,411)
Balance as at 30 June 2022	**2,788,766**	**273,265**	**47,037**	**(3,121,517)**	**(12,449)**
Total comprehensive loss for the year ended 30 June 2022					
Loss after taxation	-	-	-	(1,671,334)	(1,671,334)
Other comprehensive income	-	-	-	6,270	6,270
	-	-	-	**(1,665,064)**	**(1,665,064)**
Balance as at 30 June 2023	**2,788,766**	**273,265**	**47,037**	**(4,786,581)**	**(1,677,513)**

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Cash flows from operating activities			
Cash generated/ (used in) operations	37	115,514	92,958
Gratuity paid		(700)	-
Taxes paid		(12,405)	(13,034)
Net cash generated/ (used in) from operating activities		102,409	79,924
Cash flow from investing activities			
Purchase of property, plant and equipment		-	(9,075)
Addition in Capital work in progress		-	(52,463)
Proceeds from disposal of property, plant and equipment		-	13,670
Purchase of investment property		(80,894)	-
Income on bank deposits received	33	120	264
Net cash used in from investing activities		(80,774)	(47,604)
Cash flow from financing activities			
Long term loan paid during the year		(10,573)	(5,333)
Payments of lease liability		(13,860)	(24,796)
Net cash used in financing activities		(24,433)	(30,129)
Net increase/ (decrease) in cash and cash equivalents		(2,797)	2,190
Cash and cash equivalents - at beginning of the year		22,433	20,243
Cash and cash equivalents - at end of the year	38	19,636	22,433

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

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 loss before tax of Rs. 1674.58 million (2022: Rs. -593.37 million). Increase/ Decrease in loss is mainly driven by exchange loss of Rs. 1421.45 million in 2023 versus loss of Rs. 818.89 million in 2022 on the foreign currency convertible bonds issued by the Company.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 5,249.87 million (2022: Rs. 3,514.75 million), and accumulated losses of the Company stand at Rs. 4,786.58 million (2022: Rs. 3,121.52 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 slow due to unavailability of enough financial resources causing a delay in the completion of Pace Tower, total estimated cost of completion of Pace Tower is Rs. 272 million. These conditions indicate the existence of a material uncertainty related to events or conditions that may cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize it assets and discharge its liabilities in the normal course of business.

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

Construction of Pace Tower has also been started and management is confident that it will complete Pace Tower Project by the end of 2024 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 sale of its inventory in Pace Circle.

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

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 8 September 2023 to the Company wherein they have committed to support the Company to continue as a going concern.

In addition, the management of the company has changed its shopping mall structure to shared office structure. This results in high inflows in form of rentals.

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:

Subsidiaries	**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.

Associate	**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 comprise of:

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

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

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.

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

4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation

Amendments to accounting and reporting standards and interpretations which are effective during the year ended June 30, 2023

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Non-current Liabilities with Covenants	January 1, 2024
IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2024
IAS 7 and IFRS 7 - Supplier Finance Arrangements	January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

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

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective Date (Annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

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

	Note
- Provision for taxation	*6.1*
- Property, plant and equipment	*6.2*
- Intangibles	*6.3*
- Investment property valuation	*6.4*
- Stock-in-trade	*6.6*
- Employee benefits	*6.13*
- Measurement of ECL allowance for trade debts and other receivables (financial assets)	*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*

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 equity.

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 improves.

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.

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 incurred.

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 date on which an asset is available for use is intended by the management and ceased when asset is derecognized.

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 useful life.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. The revaluation surplus included in equity in respect of an item of property, plant and equipments is transfered directly to retained earning when the asset is derecognised.

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.

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.

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 basis.

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.

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 lease liability.

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.

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.

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.

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 - sale of completed units

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.

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 otherwise arise.

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.

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.

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 of 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 loss.

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.

	2023	2022	2023	2022
	--- (Rupees in thousand) ---		--- (Number of Shares) ---	
7 Share capital and reserves				
7.1 Authorised capital				
Ordinary shares of Rs. 10 each	**6,000,000**	6,000,000	**600,000,000**	600,000,000
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	**771,721**	771,721	**77,172,088**	77,172,088
	2,788,766	2,788,766	**278,876,604**	278,876,604

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

	Basis of Relationship	2023	2022
		--- (Number of Shares) ---	
First Capital Securities Corporation Limited	Common Directorship	**7,504,915**	7,504,915
First Capital Equities Limited	Common Directorship	**7,600,000**	7,600,000
		15,104,915	15,104,915

7.4 There has been no movement in ordinary share capital issued, subscribed and paid-up during the year ended 30 June 2023.

	2023	2022
	--- (Rupees in thousand) ---	
7.5 Share premium		
Share premium reserve	**273,265**	273,265

This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.

	Note	2023	2022
		--- (Rupees in thousand) ---	
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)
Non Current portion		**-**	-

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8.1 Pak Iran Joint Investment Company

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

8.1.1 Terms of repayment

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
As at beginning of the year		**66,860**	66,860
Adjustment on account of default	*8.1.2.1*	**-**	-
As at end of the year		**66,860**	66,860

8.1.2 Security

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

8.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly instalment was due on 01 January 2020. Company made a default in repayment of the instalment and no repayment was made till 30 June 2022. 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. NBP has released its complete charge over Pace Tower by issuing No Objection Certificate (NOC) but due to joint charge with HBL its charge will stand valid to the extent of 14th floor as HBL still has its charge over the same floor. It will also take over charge being vacated by PAIR Investment Company Limited as a result of settlements as described in note 8.1.2.

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. Initially the Company and HBL agreed that HBL will hold its charge over 21 floors i.e. from 1st to 21st floors in Pace Tower. However subsequently HBL has released its charge over pace tower except 14th floor and the same floor will be discharged when the finishing work 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.

	Note	2023	2022
		--- (Rupees in thousand) ---	
9 Redeemable capital - secured (non-participatory)			
Term finance certificates	9.1	**815,691**	935,571
Settlement during the year	9.3 & 9.3	**(10,573)**	(119,880)
		(805,118)	815,691
Less: Current maturity presented under current liabilities		**805,118**	(815,691)
Non Current portion		**-**	-

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% (2021: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

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

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

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Company's properties situated at 124/E-1, Main Boulevard Gulberg III, Lahore, 38-A and 39 Block P, Model Town, Lahore, G.T.

Road Gujrat, G.T. Road, Gujranwala, and first exclusive hypothecation charge over certain specific fixed assets, to the extent of Rs.2,000 million.

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 of TFCs

During the year, the Company has entered into settlement agreement with TFCs holder for the settlement of principal amounting to Rs. 9.77 million and TFCs holder provided financial relief by suspending markup of Rs. 12.63 million.

	Note	2023	2022
		--- (Rupees in thousand) ---	
10 Lease liability			
Present value of lease payments	*10.1*	**178,822**	183,668
Less: Current portion shown under current liabilities		**(29,160)**	(32,492)
		149,662	151,176
Movement during the year is as follows:			
Opening balance as at 01 July		**183,668**	180,043
Additions during the year		-	13,663
Unwinding of notional interest		**24,733**	24,617
Reclassified to accrued liabilities		**(15,720)**	(3,813)
Settlement of lease liability		**(4,567)**	(6,046)
Lease rentals paid		**(9,294)**	(24,796)
Closing balance as at 30 June		**178,822**	183,668

10.1 On 17 October 2018, Orix Leasing Company ('plaintiff') has filed a case in Banking Court VII against 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, during the year the Company has settled the matter with plaintiff by offering the full and final settlement amount of Rs. 12 million which the plaintiff has accepted. Out of total agreed amount 4.57 million has been paid during the year.

	Note	2023	2022
		--- (Rupees in thousand) ---	
11 Foreign currency convertible bonds - unsecured			
Opening balance		**3,610,587**	2,764,027
Mark-up accrued during the year		-	27,667
		3,610,587	2,791,694
Exchange loss/ (gain) for the year	*11.2*	**1,421,449**	818,893
		5,032,036	3,610,587
Less: Current portion shown under current liabilities		**(5,032,036)**	(3,610,587)
Non Current portion		-	-

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 2022, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

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

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

12 Deferred liabilities

	Note	2023	2022
		--- (Rupees in thousand) ---	
Staff gratuity	*12.1*	**48,043**	44,726
Leave encashment	*12.2*	**1,114**	1,698
		49,157	46,424

12.1 Staff gratuity

	Note	2023	2022
		--- (Rupees in thousand) ---	
Balance as at 01 July		**44,726**	42,924
Included in statement of profit or loss:			
Service cost		**5,037**	7,514
Interest cost		**5,880**	4,054
		10,917	11,568
Included in statement of comprehensive income:			
Remeasurements:			
Actuarial loss from changes in financial assumptions		**268**	295
Experience adjustments		**(6,537)**	(5,285)
		(6,269)	(4,990)
Other:			
Benefits due but not paid (payable)			(4,776)
Benefits paid		**(1,330)**	-
		(1,330)	(4,776)
Balance as at 30 June		**48,044**	44,726
Charge for the year has been allocated as follows:			
Cost of revenue	*31.3*	**4,367**	4,627
Administrative and selling expenses	*32*	**6,550**	6,941
		10,917	11,568

Plan Assets

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

12.2 Leave encashment

	2023	2022
	--- (Rupees in thousand) ---	
Balance as at 01 July	**1,698**	1,608
Included in statement of profit or loss:		
Service cost	**181**	168
Experience adjustments	**(990)**	456
Interest cost	**225**	128
	(584)	752

	2023	2022
	--- (Rupees in thousand) ---	
Included in statement of comprehensive income:		
Remeasurements:		
Actuarial loss from changes in financial assumptions	-	-
Experience adjustments	-	-
	-	-
Other:		
Benefits due but not paid (payable)	-	(662)
Benefits paid	-	-
	-	(662)
Balance as at 30 June	**1,114**	**1,698**

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

	2023		2022	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
Discount rate used for year end obligations	16.25%	16.25%	13.25%	13.25%
Expected rate of growth per annum in future salaries	15.25%	15.25%	12.25%	12.25%
Expected mortality rate	SLIC (2001-2005) Setback 1 Year			
Weighted average duration of defined benefit plan	5 Years	6 Years	5 Years	6 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. 11.193 million to the unconsolidated statement of profit or loss on account of gratuity in the year ending 30 June 2024.

12.5 Sensitivity Analysis

	2023		2022	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
	--- (Rupees in thousand) ---			
Year end sensitivity on defined benefit obligation:				
Discount rate + 100 bps	**45,956**	**1,054**	42,644	1,599
Discount rate - 100 bps	**50,391**	**1,181**	47,076	1,809
Salary increase + 100 bps	**50,462**	**1,179**	47,149	1,805
Salary increase - 100 bps	**45,855**	**1,055**	42,542	1,601

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.

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:

	Note	2023	2022
		--- (Rupees in thousand) ---	
MCB Bank Limited		**17,000**	17,000
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		**5,019**	5,019
Others		**163,968**	134,804
		247,894	218,730

14 Current maturity of long term liabilities

	Note	2023	2022
		--- (Rupees in thousand) ---	
Long term finances - secured	*8*	**66,860**	66,860
Redeemable capital - secured (non-participatory)	*9*	**805,118**	815,691
Lease liability	*10*	**29,160**	32,492
Foreign currency convertible bonds - unsecured	*11*	**5,032,036**	3,610,587
		5,933,174	4,525,630

15 Creditors, accrued and other liabilities

	Note	2023	2022
		--- (Rupees in thousand) ---	
Trade creditors	*15.1*	**101,272**	154,830
Provisions and accrued liabilities		**328,630**	281,321
Payable to statutory bodies		**101,693**	101,693
Security deposits	*15.2*	**59,560**	58,042
Rentals against investment property received in advance		**44,208**	23,098
Retention money		**5,461**	5,461
Payable to contractors		**2,699**	2,699
Others	*15.3*	**177,464**	92,699
		820,987	719,843

15.1 This includes payables to First Construction Limited and Evergreen Water Valley (Private) Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (2022: Rs. 0.09 million) and Rs. Nill million (2022: Rs.8.79 million) respectively 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. Section 217 of Companies Act, 2017 requires that a Company or any of its officers or agents shall not receive or utilize any money received as security or deposit, except in accordance with a contract in writing. Keeping in view the requirements of this section, the Company has entered into agreements with third parties whereby it is expressly stated that the Company shall have the right to utilize the security deposit at its discretion. These amounts are normally utilized to bring the areas rented out for their intended use (upkeep expenditure).

15.3 This includes payables to related parties under normal course of business and are interest free.

Related Party	Relationship	2023	2022
		--- (Rupees in thousand) ---	
First Capital Equities Limited	Common Directorship	**1,070**	1,070
		1,070	1,070

	2023	2022
	--- (Rupees in thousand) ---	
16 Accrued finance cost		
Long term finances - secured	**35,557**	18,281
Redeemable capital - secured (non-participatory)	**1,313,188**	1,185,453
	1,348,745	1,203,734

17 Contingencies and commitments

17.1 Contingencies

17.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (2022: 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. 75 million.

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

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honourable 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.

17.1.3.4 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 30 June 2023, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements

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 (2022: Rs. 26.27 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 (2022: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

	Note	**2023**	2022
		--- (Rupees in thousand) ---	
18 Property, plant and equipment			
Operating fixed assets	*18.1*	**380,939**	401,468
Capital work in progress	*18.2*	**58,847**	58,847
Right-of-use assets	*18.3*	**100,406**	108,498
		540,192	568,813

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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 2023											
Opening net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(6,251)	-	(1,133)	(8,453)	(206)	(218)	(74)	(4,194)	(20,529)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,853	1,964	151	16,778	380,939
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis											
Year ended 30 June 2022											
Opening net book value	155,152	-	88,001	41,139	16,466	102,929	1,899	2,562	94	9,110	417,352
Additions (at cost)	-	-	42,479	1,441	-	3,367	377	-	193	17,311	65,168
Disposals	-	-	-	-	(3,265)	-	-	-	-	(3,823)	(7,087)
Transfers	-	-	-	(37,130)	-	-	-	-	-	-	(37,130)
Depreciation charge	-	-	(5,462)	(5,450)	(1,395)	(10,463)	(208)	(256)	(61)	(1,626)	(24,921)
Impairment charge	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Closing net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Gross carrying value basis											
As at June 2022											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(96,930)	-	(66,988)	(100,121)	(9,992)	(9,495)	(10,055)	(46,760)	(340,341)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
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.

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	Land Area (Square Feet)	*Covered Area (Square Feet)	Total Area (Square Feet)
38,38/A,39, Block P, Model Town Link Road, Lahore	Shopping plaza	22,050	70,152	92,202
40, Block P, Model Town Link Road, Lahore	Shopping plaza	22,995	21,933	44,928
Bridge Point Plaza, Fortress Stadium, Lahore Cantt.	Shopping plaza	7,695	16,204	23,899
96-B-I, M.M Alam Road, Gulberg - III, Lahore	Shopping plaza	18,112	68,087	86,199
Mouza Dhola Zarri, Main GT Road Gujranwala	Shopping plaza	21,148	53,601	74,749
Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat	Shopping plaza	27,000	85,347	112,347
124/E-1 Main Boulevard Gulberg III Lahore	Shopping plaza	40,757	81,601	122,358
Bedian Road, Lahore	Management office	7,875	-	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 Detail of operating fixed assets disposed-off during the year is as follows :

Description	Cost	Book Value	Sale Proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers	Relationship with the purchaser
Year Ended June, 30 2023							
					Nill		
Year Ended June, 30 2022							
	--- (Rupees in thousand) ---						
Plant & Machinery							
Chiller Air Conditioning	7,001	3,265	11,000	2,235	Negotiation	Third party	None
Owned Vehicles							
Porsche Car	3,950	2,317	3,600	1,283	Negotiation	Third party	None
Toyota Fortuner	4,000	1,505	4,570	3,065	Negotiation	Third party	None
Year Ended June, 30 2022	14,951	7,087	19,170	6,583			

18.1.3 Operating fixed assets include a vehicle, having cost of Rs. 1.39 million (2022: Rs. 1.39 million), which is fully depreciated but still in use as at 30 June 2023.

18.2 This represents Rs. 58.85 million related to the third floor of Pace Tower, covering an area of 4,261 square feet which is under construction and is to be held for use.

		Note	2023	2022
			--- (Rupees in thousand) ---	
18.3	**Right-of-use assets**			
	Land			
	Cost			
	Balance as at 01 July		**119,496**	119,496
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**119,496**	119,496
	Accumulated depreciation			
	Balance as at 01 July		**(14,320)**	(9,550)
	Depreciation charge during the year		**(4,770)**	(4,770)
	Balance as at 30 June		**(19,091)**	(14,320)
	Closing net book value		**100,405**	105,176
	Rate of depreciation		**4%**	4%
	Electrical equipment			
	Cost			
	Balance as at 01 July		**15,339**	15,339
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**15,339**	15,339
	Accumulated depreciation			
	Balance as at 01 July		**(12,017)**	(6,903)
	Depreciation charge during the year		**(3,322)**	(5,114)
	Balance as at 30 June		**(15,339)**	(12,017)
	Closing net book value		**-**	3,322
	Rate of depreciation		**33%**	33%

		Note	2023	2022
18.4	Depreciation charge for the year has been allocated as follows:		--- (Rupees in thousand) ---	
	Cost of revenue:			
	Depreciation on right-of-use assets	*31.3*	**8,092**	9,883
	Depreciation on owned assets	*31.3*	**14,856**	16,098
	Administrative and selling expenses:			
	Depreciation on owned assets	*32*	**5,673**	8,823
			28,621	34,804

	2023	2022
	--- (Rupees in thousand) ---	
19 Intangible assets		
Optical fiber - Royalty	**2,257**	2,733
Computer software	**236**	262
	2,493	2,995
19.1 Optical fiber - Royalty		
Cost	**9,508**	9,508
Accumulated amortisation		
As at 01 July	**(6,775)**	(6,299)
Amortisation for the year	**(476)**	(476)
Balance as at 30 June	**(7,251)**	(6,775)
Book value as at 30 June	**2,257**	2,733
Rate of amortisation	**5%**	5%
19.2 Computer software		
Cost	**2,878**	2,878
Accumulated amortisation		
As at 01 July	**(2,616)**	(2,587)
Amortisation for the year	**(26)**	(29)
Balance as at 30 June	**(2,642)**	(2,616)
Book value as at 30 June	**236**	262
Rate of amortisation	**10%**	10%

	Cost		Fair value	
	2023	2022	**2023**	2022
	--- (Rupees in thousand) ---			
20 Investment property				
Balance as at 01 July	**883,931**	557,911	**1,803,239**	1,467,614
Initial Recoginition of ROU	-	13,663	-	13,663
Fair value gain/ (loss) on recognition of ROU	-	-	-	-
Transfer from Inventory at cost	-	228,190	-	228,190
Transfer from PPE at cost	-	84,167	-	84,166
Purchases	**80,894**	-	**80,894**	-
	964,825	883,931	**1,884,133**	1,793,633
Fair value gain/ (loss) recorded in statement of profit or loss	-	-	**14,562**	9,607
Disposal during the year	-	-	-	-
As at 30 June	**964,825**	883,931	**1,898,694**	1,803,239

20.1 The forced sale value of investment property excluding right-of-use asset amounts to Rs. 1,580.806 million (2022: Rs. 1,485.768 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 1st, 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 2023. 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 2023:

	Level 1	**Level 2**	**Level 3**	**Total**
		--- (Rupees in thousand) ---		
Freehold land	-	-	-	-
Buildings	-	-	1,867,127	**1,867,127**
Right-of-use assets	-	-	38,922	**38,922**
	-	-	**1,906,049**	**1,906,049**

The following is categorization of assets measured at fair value at 30 June 2022:

	Level 1	Level 2	Level 3	Total
		--- (Rupees in thousand) ---		
Freehold land	-	-	-	-
Buildings	-	-	1,747,963	1,747,963
Right-of-use assets	-	-	55,276	55,276
	-	-	1,803,239	1,803,239

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 adopted.

Description	**Significant Unobservable inputs**	**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)

Tm

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-- Contractural undiscounted cash flows

	Rupees	Rupees
Lease payments receivable		
1 - 3 years	18,374,400	17,107,200
4 - 6 years	22,968,000	20,724,000
7 - 9 years	28,710,000	26,565,000
10 - 12 years	35,887,500	33,206,250
13 - 15 years	44,859,375	41,507,813
More than 15 years	342,185,669	358,943,481
	492,984,944	**498,053,744**

	Note	2023	2022
		--- (Rupees in thousand) ---	
21.3 Reconciliation			
Total lease receivable		492,985	498,054
Less: Unearned finance income		(378,243)	(388,889)
Net investment in lease		**114,742**	109,165
Less: Current portion of lease receivable		(5,702)	(5,069)
Non Current portion of lease receivable		**109,040**	104,096

22 Long term investments

	Note	2023	2022
Equity instruments of:			
- subsidiaries - unquoted	*22.1*	**91,670**	91,670
- associated undertakings - unquoted	*22.2*	**758,651**	758,651
		850,321	850,321

22.1 Subsidiaries - unquoted

	2023	2022
Pace Woodlands (Private) Limited 3,000 (2022: 3,000) fully paid ordinary shares of Rs.10 each Equity held 52% (2022: 52%)	**30**	30
Pace Super Mall (Private) Limited 9,161,528 (2022: 9,161,528) fully paid ordinary shares of Rs.10 each Equity held 57% (2022: 57%)	**91,615**	91,615
Pace Gujrat (Private) Limited 2,450 (2022: 2,450) fully paid ordinary shares of Rs.10 each Equity held 100% (2022: 100%)	**25**	25
	91,670	91,670

22.2 Associate Undertakings- unquoted

	2023	2022
Pace Barka Properties Limited 75,875,000 (2022: 75,875,000) fully paid ordinary shares of Rs. 10 each Equity held: 24.86% (2022: 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.

24 Deferred taxation

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

	2023	2022
	--- (Rupees in thousand) ---	
Accelerated tax depreciation	**244,903**	230,196
Right-of-use assets and lease liability	**34,587**	44,242
Unrealised exchange loss	**(833,472)**	-
Employee retirement benefits	**(14,255)**	(13,463)
Provision for net realisable value	**8,922**	(30,874)
Provision for doubtful receivables	**(156,374)**	(97,966)
Unused tax losses	**715,689**	(132,135)
	-	-

The Company has not recognised deferred tax assets of Rs. 8.32 million (2022: Rs. 404.85 million) in respect of tax losses, Rs. 833.472 million (2022: Rs. 421.25 million) in respect of unrealised exchange loss and Rs.93.32 million (2022: Rs. 119.58 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. 5.50 million, Rs. 3.66 million, Rs. 3.21 million, 22.46 million and 3.02 million which will lapse in the year 2024, 2025, 2026, 2027 and 2028 respectively. Alternate Corporate Tax ('ACT') paid under section 113C of Income Tax Ordinance, 2001 aggregating to Rs.55.22 million and Rs.20.30 million will lapse in the year 2027 and 2028, respectively. Tax losses amounting to Rs. 438.48 million, Rs. 197.32 million, Rs. 243.05 and Rs.81.44 million 93.32 will expire in year 2024, 2025, 2026, 2027 and 2028 respectively.

25 Stock-in-trade

	Note	2023	2022
		--- (Rupees in thousand) ---	
Land not under development	*25.1*	**21,600**	21,600
Land purchased for resale	*25.2*	**930,765**	900,000
Work in progress			
- Pace Tower	*25.3*	**650,158**	542,267
- Pace Circle	*25.4*	**670,650**	670,650
Completed units - shops		**168,091**	177,200
		2,441,264	2,311,717
Stores inventory		**392**	443
		2,441,656	2,312,160

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. 930.765 million (2022: Rs. 900 million).

25.3 Included in work in progress are borrowing costs of Rs. 101 million (2022: 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 (17.2.1).

26 Trade debts

	Note	2023	2022
		--- (Rupees in thousand) ---	
Secured			
Considered good	*26.1*	**635,083**	701,176
Unsecured		**423,074**	339,786
		1,058,157	1,040,962
Less: Impairment allowance		**(539,221)**	(337,813)
		518,936	703,149

26.1 This includes the following amounts due from related parties:

	2023	2022
Remy Apparel (Formerly Rema and Shehrbano)	**4,738**	4,738
First Capital Investment Limited & First Capital Mutual Fund	**4,580**	4,580
First Capital Equities Limited	**118,441**	118,441
First Capital Securities Corporation Limited	**6,681**	6,681
Connatural Cosmetics	**1,450**	1,450
	135,890	135,890

26.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 135.89 million (2022: Rs. 135.89 million).

27 Advances, deposits, prepayments and other receivables

	Note	2023	2022
		--- (Rupees in thousand) ---	
Advances - considered good:			
- to employees	*27.1*	**11,750**	17,263
- to suppliers		**29,087**	17,391
Advance against purchase of property		**-**	-
Security deposits		**785**	785
Others - considered good	*27.3*	**44,087**	55,029
	27.2	**85,709**	90,468

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. 5.67 million (2022: Rs. 4.34 million) advance given to executive employee of the Company.

27.2 The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 7.07 million (2022: Rs. 16.91 million)

27.3 This includes rent receivable from a related party 'Media Times Limited' amounting to Rs. 13.38 million (2022: Rs. 10.84 million). The amount also includes impairment allowance of Nil (2022: Nil) recognised in the current year.

28 Income tax refundable - net

	Note	2023	2022
		--- (Rupees in thousand) ---	
Income tax refundable	*28.1*	**32,314**	42,365
Provision for taxation - current		**(3,023)**	(22,455)
		29,291	19,910

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	2023	2022
		--- (Rupees in thousand) ---	
29 Cash and bank balances			
Cash in hand		**16**	18
Cash at banks			
- Current accounts	*29.1*	**18,784**	22,096
- Saving accounts	*29.2*	**836**	319
		19,620	22,415
		19,636	22,433

29.1 This includes Rs. 17 million (2022: Rs. 17 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 5.75% to 19.5% (2022: 5.5% to 12.25%) per annum.

	Note	2023	2022
		--- (Rupees in thousand) ---	
30 Revenue			
Sale of Pace Tower units	*30.1*	-	352,157
Sale of Completed Units - Others		**9,773**	241,470
Sale of Land	*30.2*	-	416,817
Display of advertisements		**6,547**	44,045
Service charges	*30.3*	**123,759**	168,194
Revenue from contract with customers		**140,079**	1,222,683
Other revenue			
Rental income from lease of investment property		**101,730**	33,643
Total revenue		**241,809**	1,256,326

30.1 This includes revenue recognised at percentage of completion basis

	2023	2022
Revenue recognised to date	**1,697,729**	1,697,729
Aggregate cost incurred to date	**(1,416,173)**	(1,416,173)
Recognised profit to date	**281,556**	281,556

The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the current year, there is no change in percentage of completed units. (2022: Rs. 33 million).

30.2 The Company entered into agreement with Evergreen Water Valley (Private) Limited a related party for the purchase of plot measuring 4 kanals 15 marlas and 175 square feet located at the Plot No. 133 Shadman II, Lahore and sold this plot to Zameen Omega against variable consideration. Therefore, the Company has recognized revenue and contract asset on the basis expected multiple outcome depending on the project approvals.

	2023	2022
	--- (Rupees in thousand) ---	

30.3 Disaggregation of revenue

	2023	2022
Timing of revenue recognition		
At a point in time	9,773	1,010,868
Over time	232,036	245,458
	241,809	1,256,326

30.4 Contract balances

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
Receivables, which are included in trade debts	*26*	1,027,876	1,040,962
Contract liability	*30.4.1 & 13*	247,894	218,730

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

30.5 Impact of fire in Gulberg Plaza

During the year, a project of the Company situated at the Main Boulevard, Gulberg, Lahore (the mall) was subject to fire. In terms of investment this mall was completely sold out to third parties and the Company had no inventory in the mall, the only revenue involved is in the form of service charges and advertisment which were completely utilized to pay for mall expenses in the form of Bills (Electricity, Sui gas and Water bills) and Maintenance Costs (repair maintenance of the building, machinery and electric equipments) installed at the location in the form of back up generators and air conditioners, Escalotors (HVAC). As the result of this incident all activity of the Gulberg Plaza has entirely stoped resulting into no cash inflows and outflows.

31 Cost of revenue

	Note	2023	2022
		--- (Rupees in thousand) ---	
Shops and commercial buildings sold			
- at percentage of completion basis	*31.1*	-	345,328
- at completion of project basis	*31.2*	8,940	470,501
Stores operating expenses	*31.3*	109,849	87,424
		118,789	903,253

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

	2023	2022
Opening work in progress (Pace Tower)	542,267	725,051
Opening work in progress (Pace Circle)	670,650	776,187
Purchase of inventory	107,890	116,207
Project development costs	-	14,050
Write down of inventory to net realisable value	-	(7,130)
Property disposed / settled	-	(66,120)
Closing work in progress (Pace Tower)	(650,158)	(542,267)
Closing work in progress (Pace Circle)	(670,650)	(670,650)
	-	345,328

	2023	2022
	--- (Rupees in thousand) ---	
31.2 Shops / apartments and commercial buildings sold at completion of project basis		
Opening inventory of shops and Land	**1,077,200**	1,473,009
Purchase during the year	**-**	430,000
Transfer to Investment Property	**-**	(228,190)
Transfer to Property, Plant & Equipment	**-**	(15,691)
Settlement	**-**	(74,506)
(Write down)/reversal of inventory to net realisable value	**30,596**	(36,921)
Closing inventory of shops and Land	**(1,098,856)**	(1,077,200)
	8,940	470,501

	Note	2023	2022
		--- (Rupees in thousand) ---	
31.3 Stores operating expenses			
Salaries, wages and benefits	*31.3.1*	**38,303**	44,070
Rent, rates and taxes		**14,868**	5,909
Depreciation on owned assets	*18.4*	**14,856**	16,098
Depreciation on right-of-use assets	*18.4*	**8,092**	9,883
Repairs and maintenance		**4,024**	9,813
Janitorail		**1,741**	62,104
Fuel and Power		**27,964**	6,352
Others		**-**	1,651
		109,849	155,880

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

	2023	2022
Current service cost	**2,087**	3,073
Interest cost	**2,046**	1,855
	4,133	4,928

32 Administrative and selling expenses

	Note	2023	2022
Salaries, wages and benefits	*32.1*	**61,410**	57,954
Travelling and conveyance		**1,387**	2,399
Rent, rates and taxes		**2,285**	870
Insurance		**1,319**	1,605
Printing and stationery		**160**	307
Repairs and maintenance		**21,464**	23,711
Motor vehicles running		**1,481**	2,209
Communications		**597**	797
Advertising and sales promotion		**16**	9,275
Depreciation on owned assets	*18.4*	**5,673**	8,823
Amortisation on intangible assets	*19*	**502**	505
Auditors' remuneration	*32.2*	**4,139**	4,539
Legal and professional		**5,968**	9,174
Commission on sales		**4,830**	4,950
Office expenses		**988**	53,167
Impairment loss on trade and other receivables		**210,528**	42,104
Impairment loss on Inventory		**169**	45,291
Impairment loss on Property, Plant & Equipment		**-**	11,912
Other expenses		**5,888**	7,902
		328,804	287,494

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

Current service cost	**3,131**	4,609
Interest cost	**3,069**	2,783
	6,200	7,392

	2023	2022
	--- (Rupees in thousand) ---	

32.2 Auditors' remuneration

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

Statutory audit	**2,420**	2,420
Half yearly review	**847**	847
Audit of consolidated financial statements	**220**	220
Statutory certification	**110**	110
Out of pocket expenses	**542**	542
Audit experts (valuer) fee	**-**	400
	4,139	4,539

33 Other income

	Note		
Income from financial assets			
Mark-up on bank accounts		**120**	264
Commission on guarantee	*33.1*	**1,238**	1,238
Finance Income from Lease Receivable		**10,646**	10,139
Income from non-financial assets			
Reversal of impairment loss on inventory		**30,765**	-
Gain on sale of property, plant and equipment		**-**	6,583
Others			
Gain on settlement of loans/lease liability		**12,631**	236,173
Income from parking and storage		**-**	4,996
Miscellaneous Income		**-**	4,900
Others		**5,231**	27,384
Liabilities Written-back		**60,001**	14,788
		120,632	306,465

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	**17,276**	12,109
- Foreign currency convertible bonds - unsecured	**(0)**	27,667
- Redeemable capital - secured (non-participatory)	**140,366**	91,581
- Notional interest on lease liability	**24,733**	24,618
	182,375	155,975
Bank charges and processing fee	**166**	153
	182,541	156,128

	2023	2022
	--- (Rupees in thousand) ---	

35 Taxation

Income Tax		
- Current Year	**3,023**	22,456
- Prior Year	-	2,612
	3,023	25,068

The relationship between income tax expense and accounting profit has not been presented in these financial statements as the tax liability is calculated under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2022: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

36 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 2023 (2022: Nil).

	2023	2022
	--- (Rupees in thousand) ---	
Loss for the year	**(1,677,604)**	(618,439)
Weighted average number of ordinary shares outstanding during the year	**278,877**	278,877

	Note	2023	2022
		--- (Rupees in thousand) ---	
37 Cash generated/ (used in) from operations			
Loss before tax		**(1,674,581)**	(593,371)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	*11.2*	**1,421,449**	818,893
Provision for gratuity and leave encashment	*12.1 & 12.2*	**10,333**	12,320
Depreciation on owned assets	*18.4*	**20,529**	24,921
Depreciation on right-of-use assets	*18.4*	**8,092**	9,884
Amortisation on intangible assets	*19*	**502**	505
Changes in fair value of investment property	*20*	**14,562**	(9,606)
Impairment loss on trade debts and other receivables		**210,528**	42,104
Write down of inventory to net realisable value	*31.2*	**169**	45,291
Finance costs	*34*	**182,375**	155,975
Mark-up income	*33*	**(120)**	(264)
Loss/ (Gain) on sale of property, plant and equipment	*33*	**-**	(6,583)
Non Cash Income	*33*	**(83,278)**	(261,100)
(Loss) / Gain before working capital changes		**110,560**	238,970
Effect on cash flow due to working capital changes:			
(Increase)/ Decrease in stock-in-trade		**(107,891)**	331,069
(Increase)/ Decrease in trade debts		**13,086**	(230,012)
(Increase)/ Decrease in contract asset		**-**	(356,817)
(Increase)/ Decrease in advances, deposits and other receivables		**(25,522)**	248,220
Increase/ (Decrease) in contract liability		**29,164**	(127,525)
Increase/ (Decrease) in creditors, accrued and other liabilities		**96,118**	(10,947)
		4,955	(146,011)
		115,514	92,958

	Note	2023	2022
38 Cash and cash equivalents			
Cash and bank balances	*29*	**19,636**	22,433

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

	30 June 2023							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	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 2022	**2,788,766**	**273,265**	**47,037**	**66,860**	**813,558**	**183,668**	**3,610,587**	**1,203,734**
Cash flows								
Long term loan paid during the year	-	-	-	-	(10,573)	-	-	-
Repayment of lease rentals	-	-	-	-	-	(9,294)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	(10,573)	(9,294)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	1,421,449	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	(149,715)
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	(4,567)	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(15,720)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,733	-	294,726
Total non-cash changes	-	-	-	-	-	4,446	1,421,449	145,011
Balance as at 30 June 2022	2,788,766	273,265	47,037	66,860	802,985	178,822	5,032,036	1,348,745

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 Arm's length. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	2023	2022
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	**Associated Company** (equity held 24.86%)	Guarantee commission income	**1,238**	1,238
		Shared expenses charged by the Company	-	571
		Sale during the year	**62,827**	84,375
		Rental income	-	1,980
		Payment against purchase of inventory	-	29,693
		Purchase of inventory	-	64,843
Ever Green Water Valley (Private) Limited	**Common Directorship**	Sale during the year	-	166,750
		Purchase of floor / plot	**80,894**	430,000
		Payment against purchase of plot	-	50,000
		Purchase of goods and services	**107,892**	44,131
		Shared expenses charged by the Company	-	-
First Capital Equities Limited	**Common Directorship**	Sale during the year	-	139,822
		Rental income	-	-
Media Times Limited	**Common Directorship**	Rental income	**5,069**	5,069
		Advertisement expense	-	9,000
Remy Apparel (Formerly Rema and Shehrbano)	**Common Directorship**	Service charges	-	337
Connatural	**Common Directorship**	Service charges	-	5,462

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	2023	2022
		--- (Rupees in thousand) ---	
Long term advances and deposits		**13,619**	13,619
Trade debts	*26*	**518,936**	703,149
Advances, deposits, prepayments and other receivables	*27*	**85,709**	73,077
Bank balance	*29*	**19,620**	22,415
Lease Receivable	*21*	**114,742**	109,165
Contract asset	*30.2*	**356,817**	356,817
		1,109,443	**1,278,242**

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:

	2023		2022	
	Gross	Impairment	Gross	Impairment
		--- (Rupees in thousand) ---		
- Past due 0 - 365 days	**122,189**		224,507	
- 1 - 2 years	**47,052**	**(539,221)**	66,084	(337,813)
- More than 2 years	**888,916**		750,371	
	1,058,157	**(539,221)**	1,040,962	(337,813)

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. 19.62 million at 30 June 2022 (2022: Rs. 22.42 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 2023 is Nil. (2022: 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		
	Short term	Long term	Agency	2023	2022
				--- (Rupees in thousand) ---	
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	56	30
Allied Bank Limited	A1+	AAA	PACRA	41	3,019
Askari Bank Limited	A1+	AA+	PACRA	8	7
Bank Alfalah Limited	A1+	AA+	PACRA	1	1
Bank Islamic Pakistan Limited	A1	AA-	PACRA	11	11
Faysal Bank Limited	A1+	AA	PACRA	1,718	39
Habib Bank Limited	A1+	AAA	VIS	0	0
MCB Bank Limited	A1+	AAA	PACRA	17,762	18,679
Silk Bank Limited	A1	A+	VIS	5	613
Soneri Bank Limited	A1+	AA-	PACRA	11	10
United Bank Limited	A1+	AAA	VIS	6	6
				19,620	22,415

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.

	2023				
	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)	805,118	805,118	805,118	-	-
Lease liability	178,822	178,822	29,160	58,570	91,093
Foreign currency convertible bonds - unsecured	5,032,036	5,032,036	5,032,036	-	-
Creditors, accrued and other liabilities	776,779	776,779	776,779	-	-
Accrued finance cost	1,348,745	1,348,745	1,348,745	-	-
	8,208,360	8,208,360	8,058,698	58,570	91,093

	2022				
	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)	815,691	815,691	815,691	-	-
Lease liability	183,668	183,669	32,492	71,602	79,576
Foreign currency convertible bonds - unsecured	3,610,587	3,610,587	3,610,587	-	-
Creditors, accrued and other liabilities	696,745	696,745	696,745	-	-
Accrued finance cost	1,203,734	1,203,734	1,203,734	-	-
	6,577,285	6,577,287	6,426,109	71,602	79,576

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:

	2023	2022
Following is the Company's exposure to currency risk:	**--- (USD in thousand) ---**	
Foreign Currency Convertible Bonds - USD	**17,527**	17,527

The exchange rate applicable at the reporting date is 287.10 (2022: 206)

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:

		2023		2022	
Non-derivative financial - instruments	*Note*	**Financial asset**	**Financial liability**	Financial asset	Financial liability
		--- (Rupees in thousand) ---			
Fixed rate instruments					
Long term finances - secured	*8*	-	**66,860**	-	66,860
Foreign currency convertible bonds	*11*	-	**5,032,036**	-	3,610,587
Lease liability	*10*	-	**178,822**	-	183,668
Cash at bank	*29*	**836**	-	319	-
Variable rate instruments					
Redeemable capital - secured	*9*	-	**(805,118)**	-	815,691
		836	**4,472,600**	319	4,676,806

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 2023.

	Profit or loss 100 bps			
	2023		2022	
	Increase	**Decrease**	Increase	Decrease
	--- (Rupees in thousand) ---			
	(8,051)	**8,051**	8,157	(8,157)

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.

	2023	2022
	--- (Rupees in thousand) ---	
Total liabilities	**8,549,619**	6,865,537
Less: cash and cash equivalents	**(19,636)**	(22,433)
Net debt	**8,529,983**	6,843,104
Total equity	**(1,677,513)**	(12,449)
Net debt to equity ratio	**(5.08)**	(549.67)

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 2023					
		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							
30 June 2023							
Financial assets not measured at fair value							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		518,936	-	518,936	-	-	-
Advances, deposits, prepayments and other receivables		85,709	-	85,709	-	-	-
Cash and bank balances		19,636	-	19,636	-	-	-
Lease Receivable		114,742	-	114,742			
Contract asset		356,817	-	356,817			
	42.2	1,109,459	-	1,109,459	-	-	-
Financial liabilities not measured at fair value							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	805,118	805,118	-	-	-
Lease liability		-	178,822	178,822	-	-	-
Foreign currency convertible bonds - unsecured		-	5,032,036	5,032,036	-	-	-
Creditors, accrued and other liabilities		-	776,779	776,779	-	-	-
Accrued finance cost		-	1,348,745	1,348,745	-	-	-
	42.2	-	8,208,360	8,208,360	-	-	-

42.1 Fair value measurement of financial instruments

	Note	30 June 2022					
		Carrying amount			Fair value		
		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 2022</u>							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		703,149	-	703,149	-	-	-
Advances, deposits, prepayments and other receivables		73,077	-	73,077	-	-	-
Cash and bank balances		22,433	-	22,433	-	-	-
Lease Receivable		109,165	-	109,165			
Contract asset		356,817	-	356,817			
	42.2	1,278,260	-	1,278,260	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	815,691	815,691	-	-	-
Lease liability		-	183,668	183,668	-	-	-
Foreign currency convertible bonds - unsecured		-	3,610,587	3,610,587	-	-	-
Creditors, accrued and other liabilities		-	696,745	696,745	-	-	-
Accrued finance cost		-	1,203,734	1,203,734	-	-	-
	42.2	-	6,577,285	6,577,285	-	-	-

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.

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	
	2023	2022	**2023**	2022	**2023**	2022
	--- (Rupees in thousand) ---					
Managerial remuneration	**7,600**	7,600	**2,726**	2,726	**7,146**	7,321
House allowance	**3,040**	3,040	**1,090**	1,090	**2,858**	2,928
Utilities	**760**	760	**273**	273	**715**	732
Staff retirement benefit-Gratuity	**950**	950	**341**	341	**893**	915
Leave encashment	**633**	633	**227**	227	**859**	765
	12,983	12,983	**4,656**	4,656	**12,470**	12,661
Number of persons	**1**	1	**1**	1	**7**	5

44 Number of employees

	2023	2022
Total number of employees as at 30 June	**136**	136
Average number of employees during the year	**132**	160

45 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 06 OCT 2023 by the Board of Directors of the Company.

46 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. However, there is no material changes / reclassification

Chief Executive Officer

Director

Chief Financial Officer

PACE (PAKISTAN) LIMITED

CONSOLIDATED ANNUAL AUDITED FINANCIAL STATEMENTS

FOR THE YEAR EDNED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Pace Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the annexed consolidated financial statements of ***Pace Pakistan Limited*** (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and 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, (here-in-after referred to as "the consolidated financial statements") 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, except for the possible effect of the matter described in the ***Basis for Qualified Opinion*** section of our report, consolidated statement of financial position give a true and fair view of the state of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

The Group's investment in Pace Barka Properties Limited, an associated company, accounted for by the equity method, is carried at Rs 1,123.368 million on the consolidated statement of financial position as at June 30, 2023 and the Pace Pakistan Limited's share of Pace Barka Properties Limited's net loss of Rs 54.643 million is included in Pace Pakistan Limited's loss for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Pace Pakistan Limited's investment in Pace Barka Properties Limited as at June 30, 2023 as the financial information of Pace Barka Properties Limited was neither finalized nor audited by its auditors.

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 indicates that the Group has accumulated losses amounting Rs 4,387.349 million as at June 30, 2023 and, as of that date, the Group's current liabilities exceeded its current assets by Rs. 4,961.34 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Following are the Key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Revenue** Refer to notes 6.15 and 30 to the consolidated financial statements. The Group recognized revenue of Rs. 241.809 million during the year ended June 30, 2023, being both at a point in time and over the time depending on the nature of contracts with customer We identified recognition of revenue as a key audit matter because it involves the use of significant judgement to evaluate whether the contracts has commercial substance or not. Further it involves judgement in evaluating whether collectability of an amount of consideration is probable. Further there is an inherent risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to revenue recognition and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Group's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; and • performing test of details procedures over revenue recorded and cost incurred on project during the year; • evaluating the adequacy of financial disclosures, including disclosures of key assumptions and judgements; • proposing adjustment for revenue recorded, where collectability of consideration is less then probable; • 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	**Valuation of investment property** Refer to notes 6.5 and 21 to the consolidated financial statements. The investment property of the Group comprise freehold land and building on freehold land As at 30 June 2023, the carrying value of investment properties was at Rs 1,898.694 million	Our procedures included, but were not limited to; • 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 evaluation process and assumption which the valuer has

	The Group has adopted the fair value model for valuation of its investment properties. Under this said model it is required to measure all investment properties at fair value at each reporting date. Changes in fair value are recognized in consolidated statement of profit and loss We considered this as key audit matter due to the significant carrying value of investment properties and significant judgements estimations involved in determining the fair value	adopted to assess if they are consistent with the industry norms, market condition and general prevailing economic circumstances • Confirming the valuation approach was in accordance with the International Financial reporting standards and suitable for use in determining the fair value of properties classified as Investment property; • recalculating the fair value gain/loss on investment property during the year; • Assessing the valuer's competence and capabilities • Evaluating the adequacy of disclosures in the financial statements, including the disclosures in the financial statements, including disclosures of key assumptions and judgements.

Information Other than 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 June 30, 2023, but does not include the consolidated and consolidated 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 auditor's 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 the adverse consequences of doing so would reasonably 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 and consolidated other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Pace Pakistan Limited for the year ended June 30, 2022, were audited by another auditor whose report dated October 07, 2022 expressed an unmodified opinion with material uncertainty relating to going concern.

The engagement partner on the audit resulting in this independent auditor's report is Shoaib Ahmad Waseem.

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Lahore
UDIN: AR202310196MpjreCEVm
Date: 06 OCT 2023

Pace (Pakistan) Limited
Consolidated Statement of Financial Position
As at 30 June 2023

EQUITY AND LIABILITIES	Note	2023	2022
		--- (Rupees in thousand) ---	
Share capital and reserves			
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	**287,307**	287,307
Revaluation Surplus		**47,037**	47,037
Accumulated loss		**(4,387,349)**	(2,661,298)
		(1,264,240)	461,813
Non-controlling interests		**87,030**	87,030
		(1,177,210)	548,842
Non-current liabilities			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	**149,662**	151,176
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	**49,157**	46,424
Deferred Taxation	13	**62,904**	62,904
		261,723	260,504
Current liabilities			
Contract liability	14	**248,894**	219,730
Current maturity of long term liabilities	15	**5,933,174**	4,525,630
Creditors, accrued and other liabilities	16	**864,529**	757,042
Accrued finance cost	17	**1,348,745**	1,203,734
		8,395,342	6,706,136
Contingencies and commitments	18	-	-
		7,479,855	7,515,482

ASSETS	Note	2023	2022
		--- (Rupees in thousand) ---	
Non-current assets			
Property, plant and equipment	19	**540,192**	568,813
Intangible assets	20	**2,493**	2,995
Investment property	21	**1,898,694**	1,803,240
Lease Receivable	22	**109,040**	104,096
Contract Asset	30.2	**356,817**	356,817
Investment in associate	23	**1,123,368**	1,178,011
Long term advances and deposits	24	**15,248**	15,248
		4,045,852	4,029,220
Current assets			
Stock-in-trade	25	**2,774,656**	2,645,160
Trade debts	26	**518,936**	703,149
Advances, deposits, prepayments and other receivables	27	**85,709**	90,469
Lease Receivable	22	**5,702**	5,069
Income tax refundable - net	28	**29,344**	19,962
Cash and bank balances	29	**19,656**	22,453
		3,434,003	3,486,262
		7,479,855	7,515,482

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Pace (Pakistan) Limited
Consolidated Statement of Profit or Loss
For the year ended 30 June 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Revenue	30	**241,809**	1,256,326
Cost of Revenue	31	**(118,789)**	(903,253)
Gross Profit		**123,020**	353,072
Administrative and selling expenses	32	**(328,879)**	(287,569)
Other income	33	**120,632**	306,465
Other expenses		**-**	-
Loss from operations		**(85,227)**	371,968
Finance cost	34	**(182,541)**	(156,128)
Exchange gain/ (loss) on foreign currency convertible bonds	11.2	**(1,421,449)**	(818,893)
Gain from change in fair value of investment property		**14,562**	9,606
Share of profit/ (loss) from associate - net of tax		**(54,643)**	(80,817)
Profit/ (Loss) before Taxation		**(1,729,298)**	(674,264)
Taxation	35	**(3,023)**	(51,219)
Profit/ (Loss) after Taxation		**(1,732,321)**	(725,482)
Attributable to:			
Owners of the Parent Company		**(1,732,321)**	(725,482)
Non-controlling interests		**-**	-
		(1,732,321)	(725,482)
Earning/ (Loss) per share - basic and diluted	36	**(6.21)**	(2.60)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Pace (Pakistan) Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Loss for the year		**(1,732,321)**	(725,482)
Other comprehensive income for the year			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of net defined benefit liability	12	**6,270**	4,991
Share of profit/ (loss) in associate's defined benefit obligation		-	(1,941)
Share of revaluation surplus in associate's lease hold land		-	257,098
Revaluation Surplus on transfer		-	47,037
Total comprehensive gain/ (loss) for the year		**(1,726,051)**	(418,298)
Attributable to:			
Owners of the Parent Company		**(1,726,051)**	(418,298)
Non-controlling interests		-	-
		(1,726,051)	(418,298)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Pace (Pakistan) Limited
Consolidated Statement of Changes In Equity
For the year ended 30 June 2023

		Capital reserve			Revenue reserve			
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Share in reserves of associates	Accumulated loss	Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total Equity
				— (Rupees in thousand) —				
Balance as at 30 June 2021	2,788,766	273,265	-	14,042	(2,195,964)	880,109	87,030	967,139
Total comprehensive loss for the year ended 30 June 2022								
Profit/ (Loss) after taxation	-	-	-	-	(725,482)	(725,482)	-	(725,482)
Other comprehensive income	-	-	47,037	-	260,148	307,185	-	307,185
	-	-	47,037	-	(465,334)	(418,297)	-	(418,296)
Balance as at 30 June 2022	2,788,766	273,265	47,037	14,042	(2,661,298)	461,812	87,030	548,842
Total comprehensive loss for the year ended 30 June 2023								
Profit/ (Loss) after taxation	-	-	-	-	(1,732,321)	(1,732,321)	-	(1,732,321)
Other comprehensive income	-	-	-	-	6,270	6,270	-	6,270
	-	-	-	-	(1,726,051)	(1,726,051)	-	(1,726,051)
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,387,349)	(1,264,239)	87,030	(1,177,210)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023	2022
		--- (Rupees in thousand) ---	
Cash flows from operating activities			
Cash (used in) operations	37	**115,515**	707,352
Gratuity paid		**(700)**	-
Taxes paid		**(12,405)**	(9,762)
Net cash (used in) / generated from operating activities		**102,410**	697,590
Cash flow from investing activities			
Purchase of property, plant and equipment		-	-
Proceeds from disposal of property, plant and equipment		-	6,583
Purchase of investment property		**(80,894)**	(490,186)
Income on bank deposits received	33	**120**	263
Net cash used in from investing activities		**(80,774)**	(483,340)
Cash flow from financing activities			
Long term loan paid during the year		**(10,573)**	(149,716)
Payments of lease liability		**(13,860)**	(62,345)
Net cash used in financing activities		**(24,433)**	(212,061)
Net (decrease) / increase in cash and cash equivalents		**(2,797)**	2,189
Cash and cash equivalents - at beginning of the year		**22,453**	20,263
Cash and cash equivalents - at end of the year	38	**19,656**	22,453

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

1 The Group and its operations

The Group comprises of :		2023	2022
		(Direct holding percentage)	
Parent Company			
Pace (Pakistan) Limited	*1.1*		
Subsidiary Companies			
Pace Gujrat (Private) Limited		**100%**	100%
Pace SuperMall (Private) Limited		**56.79%**	56.79%
Pace Woodland (Private) Limited		**52%**	52%
Associate Company			
Pace Barka Properties Limited		**24.86%**	24.86%

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

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

1.2 Pace Supermall (Private) Limited

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

1.3 Pace Woodlands (Private) Limited

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

2 Going Concern Assumption

The Group has incurred loss before tax of Rs. 1729.30 million (2022: Rs. -674.26). Decrease in loss is mainly driven by exchange gain/ (loss) of Rs. -1421.45 million in 2023 versus Rs. (818.89) million in 2022 on the foreign currency convertible bonds issued by the Parent Company.

At the reporting date, current liabilities of the Group have exceeded its current assets by Rs. 4,961.34 million (2022: Rs. 3219.87 million), and accumulated (losses) of the Group stand at Rs. (4,387.35) million (2022: Rs. (2661.30) million). Due to liquidity issues the Group 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 Group's ability to continue as a going concern and, therefore, it may be unable to realize it assets and discharge its liabilities in the normal course of business.

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

Construction of Pace Tower has also been started and management is confident that it will complete Pace Tower Project by the end of 2024 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 sale of its inventory in Pace Circle.

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

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 8 September 2023 to the Company wherein they have committed to support the Company to continue as a going concern.

In addition, the management of the company has changed its shopping mall structure to shared office structure. This results in high inflows in form of rentals.

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 Group be unable to continue as a going concern.

3 Basis of preparation

3.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at 30 June 2023.

Subsidiary Companies

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Parent Company have been eliminated against the shareholders' equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intracompany balances, transactions, income and expenses and profits and losses resulting from intracompany transactions that are recognized in assets, are eliminated in full.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

Non-Controlling Interests

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Parent Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

Associates

Associates are all entities over which the Group has significant influence but not control. The Group's share of its associate's post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

3.2 Statement of compliance

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

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

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

3.3 Basis of measurement

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

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

4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation

Amendments to accounting and reporting standards and interpretations which are effective during the year ended June 30, 2023
There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Non-current Liabilities with Covenants	January 1, 2024
IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2024
IAS 7 and IFRS 7 - Supplier Finance Arrangements	January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the 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.

	Effective Date (Annual periods beginning on or after)
- IFRS 17 Insurance Contracts	January 1, 2023

5 Use of estimates and judgments

The preparation of consolidated 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 Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Estimates

	Note
- Provision for taxation	6.2
- Property, plant and equipment	6.3
- Intangibles	6.4
- 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

6 Significant accounting policies

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

6.1 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They do not form part of the consolidated financial statements from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity and;
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the statement of profit and loss account as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financing company under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statement of profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This mean that amounts previously recognised in consolidated other comprehensive income are reclassified to statement of profit or loss.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in consolidated consolidated statement of profit or loss account and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide an evidence of impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies. On an acquisition-by-acquisition basis the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interests' proportionate share of acquiree's net assets. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the statement of profit or loss, and the Group's share of movements in other comprehensive income of the investee in consolidated other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit / (loss) of associates in the statement of profit or loss.

6.2 Taxation

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

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 Group 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 Group 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 Group has not rebutted this presumption.

6.3 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 Group 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 incurred.

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 recognised 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 19.1.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Group's estimate of the useful lives and residual values of its

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

The Group 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 recognised 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 recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Right-of-use assets

The Group 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 19.3 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.

6.4 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 Group 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 recognised 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 recognised, the amortisation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

6.5 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 consolidated statement of

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 recognised in equity as a revaluation reserve for investment property. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in consolidated 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 consolidated statement or 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.

6.6 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 realisable 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, labour 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 realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order 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 Group to the buyer as the construction progresses is recognised 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 recognised in the consolidated 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 basis.

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

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 recognised 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 Group 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 Group 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 Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 lease

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 Group 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 Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group 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 Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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 Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The Group 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 Group 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 consolidated 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 Group 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 consolidated statement of profit or loss.

The Group 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 Group'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 Group. 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 recognised when the Group 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 Group recognises 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: **Recognize revenue when (or as) the Group satisfies a performance obligation.**

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group 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 recognised at the point in time at which the performance obligation is satisfied.

When the Group 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 recognised this gives rise to a contract liability.

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 Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group 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 recognised 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 recognised only to the extent that the expenses incurred are eligible to be recovered.

The Group has elected to apply the input method. The Group considers that the use of input method, which requires revenue recognition on the basis of the Group'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 recognised 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 Group against available space in Group's property provided to the customer for advertisement purpose. Income from display of advertisements is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs.

Service charges

Service charges are recognised 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 recognised, 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 recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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.

6.16.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised 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 Group 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 amortised 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 Group 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 amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 amortised 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.

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

<u>Financial assets</u>

The Group derecognises 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised 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 derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises 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 recognised 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 recognised 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 Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.16.5 Impairment

The Group recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Group 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 receivables are always measured at an mount 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group 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 Group is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group 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 Group 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 Group's procedures for recovery of amounts due.

6.17 Impairment of non-financial assets

The carrying amount of the Group'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 loss.

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 Group; 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.

6.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, is a committee comprising of the Chief Executive Officer and the Chief Financial Officer.

6.20 Dividend

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

6.21 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group 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 Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

7 Share capital, reserves and non-controlling interests

7.1 Authorised capital

	2023	2022	2023	2022
	--- (Rupees in thousand) ---		--- (Number of Shares) ---	
Ordinary shares of Rs. 10 each	**6,000,000**	6,000,000	**600,000,000**	600,000,000

7.2 Issued, subscribed and paid-up capital

	2023	2022	2023	2022
	--- (Rupees in thousand) ---		--- (Number of Shares) ---	
Ordinary shares of Rs. 10 each fully paid in cash	**2,017,045**	2,017,045	**201,704,516**	201,704,516
Ordinary shares of Rs. 10 each issued as bonus shares	**771,721**	771,721	**77,172,088**	77,172,088
	2,788,766	2,788,766	**278,876,604**	278,876,604

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

	Basis of Relationship	2023	2022
		--- (Number of Shares) ---	
First Capital Securities Corporation Limited	Common Directorship	**7,504,915**	7,504,915
First Capital Equities Limited	Common Directorship	**7,600,000**	7,600,000
		15,104,915	15,104,915

7.4 There has been no movement in ordinary share capital issued, subscribed and paid-up during the year ended 30 June 2021.

7.5 Reserves

	2023	2022
	--- (Rupees in thousand) ---	
Share premium reserve	**273,265**	273,265
Share in reserves of associate	**14,042**	14,042
	287,307	287,307

7.5.1 This reserve can only be utilized by the Group for the purpose specified in Section 81 (2) of the Companies Act, 2017.

7.6 Non-controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that have a NCI.

30-Jun-23
Rupees in thousands

	Pace Supermall	Pace Woodlands	Total
NCI percentage (effective ratio)	31.2%	48%	
Non-current assets	-	1,630	
Current assets	354,600	53	
Non-current liabilities	-	-	
Current liabilties	(23,429)	(35,467)	
Net assets	331,171	(33,784)	
Carrying amount of NCI	103,325	(16,298)	87,027
Revenue	-	-	
Loss after taxation	-	-	
Other comprehensive income	-	-	
Total comprehensive loss	-	-	
Total comprehensive loss allocated to NCI	-	-	-
Cash flows from operating activities	-	-	
Cash flows from investing activities	-	-	
Cash flows from financing activities	-	-	
Net movement in cash and cash equivalents	-	-	

30-Jun-22
Rupees in thousands

	Pace Supermall	Pace Woodlands	Total
NCI percentage (effective ratio)	31.2%	48%	
Non-current assets	-	1,630	
Current assets	354,600	53	
Non-current liabilities	-	-	
Current liabilties	(23,429)	(35,467)	
Net assets	331,171	(33,784)	
Carrying amount of NCI	103,325	(16,298)	87,030
Revenue	-	-	
Loss after taxation	-	-	
Other comprehensive income	-	-	
Total comprehensive loss	-	-	
Total comprehensive loss allocated to NCI	-	-	-
Cash flows from operating activities	-	-	
Cash flows from investing activities	-	-	
Cash flows from financing activities	-	-	
Net movement in cash and cash equivalents	-	-	

	Note	2023	2022
		--- (Rupees in thousand) ---	
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)
		-	-

8.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Parent 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 Parent Company. Pursuant to the SA, on 28 December 2016, the Parent Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Parent Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

8.1.1 Terms of repayment

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
As at beginning of the year		**66,860**	66,860
Unwinding of notional interest		**-**	-
Adjustment on account of default	*8.1.2.1*	**-**	-
As at end of the year		**66,860**	66,860

8.1.2 Security

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

8.1.2.1 Default

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

8.2.2 Habib Bank Limited

On 16 December 2015 Habib Bank Limited ('HBL') and the Parent 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 form the Parent Company for a consideration of Rs. 106.90 million and waived accrued mark-up of Rs. 71.91 million. Pursuant to the SA, on 30 December 2015, the Parent Company and HBL executed sale deed and possession of the properties was handed over to HBL. The Parent 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 Parent Company settled the entire principal and accrued mark-up together with its portion of Syndicated Term Finance Facility against property situated at Pace Tower.

	Note	2023	2022
		--- (Rupees in thousand) ---	
9 Redeemable capital - secured (non-participatory)			
Term finance certificates	9.1	**(815,691)**	935,571
Settlement during the year		**(10,573)**	(119,880)
		805,118	815,691
Less: Current maturity presented under current liabilities		**(805,118)**	(815,691)
		-	-

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 Parent 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 Parent Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Parent 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 mark-up of 6 months KIBOR plus 2% (2019: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Parent 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 Parent 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 Parent 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 Parent 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 pending.

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

Security

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

9.2 Settlement with Askari Bank Limited

On 07 February 2018, Askari Bank Limited ('Bank') and the Parent 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 of TFCs

During the year, the Company has entered into settlement agreement with TFCs holder for the settlement of principal amounting to Rs. 20 million and TFCs holder provided financial relief by suspending markup of Rs. 30.06 million.

	Note	2023	2022
		--- (Rupees in thousand) ---	
10 Lease liability			
Present value of lease payments	*10.1*	**178,822**	183,668
Less: Current portion shown under current liabilities		**(29,160)**	(32,492)
		149,662	151,176
Movement during the year is as follows:			
Opening balance as at 01 July		**183,668**	180,043
Additions during the year		**-**	-
Unwinding of notional interest		**24,733**	23,475
Reclassified to accrued liabilities		**(15,720)**	(7,513)
Settlement of lease liability		**(4,567)**	-
Lease rentals paid		**(9,294)**	(15,249)
Closing balance as at 30 June		**178,821**	180,756

10.1 On 17 October 2018, Orix Leasing Company ('plaintiff') has filed a case in Banking Court VII against the Parent 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 consolidated financial statements. However, as per legal advisor of the Parent Company there are meritorious grounds to defend the claim.

	Note	2023	2022
		--- (Rupees in thousand) ---	

11 Foreign currency convertible bonds - unsecured

	Note	2023	2022
Opening balance		3,610,587	2,764,027
Mark-up accrued during the year		-	27,667
		3,610,587	2,791,694
Exchange (gain)/ loss for the year	11.2	1,421,449	818,893
		5,032,036	3,610,587
Less: Current portion shown under current liabilities		(5,032,036)	(3,610,587)
		-	-

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 Parent Company entered into an agreement that the Parent 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 Parent Company and remaining USD 12 million bonds along with related interest have not been repaid by the Group.

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
Staff gratuity	12.1	48,043	44,726
Leave encashment	12.2	1,114	1,698
		49,157	46,424

	Note	2023	2022
		--- (Rupees in thousand) ---	
12.1 Staff gratuity			
Balance as at 01 July		**44,726**	42,924
Included in statement of profit or loss:			
Service cost		**5,037**	7,514
Interest cost		**5,880**	4,054
		10,917	11,568
Included in statement of comprehensive income:			
Remeasurements:			
Actuarial loss from changes in financial assumptions		**268**	295
Experience adjustments		**(6,537)**	(5,285)
		(6,269)	(4,990)
Other:			
Benefits due but not paid (payable)		**-**	(4,776)
Benefits paid		**(1,330)**	-
		(1,330)	(4,776)
Balance as at 30 June		**48,044**	44,726
Charge for the year has been allocated as follows:			
Cost of revenue	*31.3*	**4,367**	4,627
Administrative and selling expenses	*32*	**6,550**	6,941
		10,917	11,568

Plan Assets

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
12.2 Leave encashment			
Balance as at 01 July		**1,698**	1,608
Included in statement of profit or loss:			
Service cost		**181**	168
Experience adjustments		**(990)**	456
Interest cost		**225**	128
		(584)	752
Included in statement of comprehensive income:			
Remeasurements:			
Actuarial loss from changes in financial assumptions		**-**	-
Experience adjustments		**-**	-
		-	-
Other:			
Benefits due but not paid (payable)		**-**	(662)
Benefits paid		**-**	-
		-	(662)
Balance as at 30 June		**1,114**	1,698

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

Plan Assets

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

12.3 Actuarial assumptions

	2023		2022	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
Discount rate used for year end obligations	16.25%	16.25%	13.25%	13.25%
Expected rate of growth per annum in future salaries	15.25%	15.25%	12.25%	12.25%
Expected mortality rate	**SLIC (2001-2005) Setback 1 Year**			
Weighted average duration of defined benefit plan	5 Years	6 Years	5 Years	6 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 Group expects to charge Rs. 11.193 million to the Consolidated statement of profit or loss on account of gratuity in the year ending 30 June 2024.

12.5 Sensitivity Analysis

	2023		2022	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
	--- (Rupees in thousand) ---			
Year end sensitivity on defined benefit obligation:				
Discount rate + 100 bps	**45,956**	**1,054**	42,644	1,599
Discount rate - 100 bps	**50,391**	**1,181**	47,076	1,809
Salary increase + 100 bps	**50,462**	**1,179**	47,149	1,805
Salary increase - 100 bps	**45,855**	**1,055**	42,542	1,601

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.

12.6 The plans expose the Group 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 Deferred taxation

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
Accelerated tax depreciation		**230,196**	230,196
Right-of-use assets and lease liability		**44,242**	44,242
Employee retirement benefits		**(13,463)**	(13,463)
Provision for net realisable value		**(30,874)**	(30,874)
Provision for doubtful receivables		**(97,966)**	(97,966)
Unused tax losses		**(132,135)**	(132,135)
Investment in associate		**62,904**	62,904
		62,904	62,904

The gross movement in deferred tax liability during the year is as follows:

	2023	2022
Opening balance	**36,753**	36,753
Income for the year	**26,151**	26,151
Closing balance	**62,904**	62,904

The Company has not recognised deferred tax assets of Rs. 8.32 million (2022: Rs. 404.85 million) in respect of tax losses, Rs. 833.472 million (2022: Rs. 421.25 million) in respect of unrealised exchange loss and Rs.93.32 million (2022: Rs. 119.58 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. 5.50 million, Rs. 3.66 million, Rs. 3.21 million, 22.46 million and 3.02 million which will lapse in the year 2024, 2025, 2026, 2027 and 2028 respectively. Alternate Corporate Tax ('ACT') paid under section 113C of Income Tax Ordinance, 2001 aggregating to Rs.55.22 million and Rs.20.30 million will lapse in the year 2027 and 2028, respectively. Tax losses amounting to Rs. 438.48 million, Rs. 197.32 million, Rs. 243.05 and Rs.81.44 million 93.32 will expire in year 2024, 2025, 2026, 2027 and 2028 respectively.

14 Contract liability

This principally represents advances received from various parties against sale of apartments and houses in Pace Tower project, Lahore and its breakup at 30 June 2021 is as follows:

	Note	2023	2022
		--- (Rupees in thousand) ---	
MCB Bank Limited		**17,000**	17,000
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		**5,019**	5,019
Others		**164,968**	135,803
		248,894	219,729

15 Current maturity of long term liabilities

	Note	2023	2022
		--- (Rupees in thousand) ---	
Long term finances - secured	*8*	**66,860**	66,860
Redeemable capital - secured (non-participatory)	*9*	**805,118**	815,691
Lease liability	*10*	**29,160**	32,492
Foreign currency convertible bonds - unsecured	*11*	**5,032,036**	3,610,587
		5,933,174	4,525,630

16 Creditors, accrued and other liabilities

	Note	2023	2022
Trade creditors	*16.1*	**134,166**	187,724
Provisions and accrued liabilities		**328,630**	281,321
Payable to statutory bodies		**101,702**	101,693
Advance against sale of investment property		**217**	142
Security deposits	*16.2*	**59,560**	58,042
Rentals against investment property received in advance		**44,208**	23,098
Retention money		**5,461**	5,461
Payable to contractors		**2,699**	2,699
Others	*16.3*	**187,886**	96,862
		864,529	757,042

16.1 This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (2022: Rs. 0.09 million) under normal course of business and are interest free.

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

16.3 This includes payables to related parties under normal course of business and are interest free.

Related Party	Relationship	2023	2022
		--- (Rupees in thousand) ---	
First Capital Equities Limited	Common Directorship	**1,070**	1,070
		1,070	1,070

17 Accrued finance cost

	2023	2022
Long term finances - secured	**35,557**	18,281
Redeemable capital - secured (non-participatory)	**1,313,188**	1,185,453
	1,348,745	1,203,734

18 Contingencies and commitments

18.1 Contingencies

18.1.1 Claims against the Parent Company not acknowledged as debts amounting to Rs.21.64 million (2022: Rs.21.64 million).

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

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

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

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honourable 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.

18.1.4 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 30 June 2023, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements

18.2 Commitments

18.2.1 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 (2022: Rs. 26.27 million).

18.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (2022: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

	Note	2023	2022
		--- (Rupees in thousand) ---	
19 Property, plant and equipment			
Operating fixed assets	*19.1*	**380,939**	401,468
Capital work in progress	*19.2*	**58,847**	58,847
Right-of-use assets	*19.3*	**100,406**	108,498
		540,192	568,813

19.1 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 2023											
Opening net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(6,251)	-	(1,133)	(8,453)	(206)	(218)	(74)	(4,194)	(20,529)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,853	1,964	151	16,778	380,939
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis											
Year ended 30 June 2022											
Opening net book value	155,152	-	88,001	41,139	16,466	102,929	1,899	2,562	94	9,110	417,352
Additions (at cost)	-	-	42,479	1,441	-	3,367	377	-	193	17,311	65,168
Disposals	-	-	-	-	(3,265)	-	-	-	-	(3,823)	(7,087)
Transfers	-	-	-	(37,130)	-	-	-	-	-	-	(37,130)
Depreciation charge	-	-	(5,462)	(5,450)	(1,395)	(10,463)	(208)	(256)	(61)	(1,626)	(24,921)
Impairment charge	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Closing net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Gross carrying value basis											
As at June 2022											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(96,930)	-	(66,988)	(100,121)	(9,992)	(9,495)	(10,055)	(46,760)	(340,341)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
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.

19.1 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 2023											
Opening net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(6,251)	-	(1,133)	(8,453)	(206)	(218)	(74)	(4,194)	(20,529)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,853	1,964	151	16,778	380,939
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis											
Year ended 30 June 2022											
Opening net book value	155,152	-	88,001	41,139	16,466	102,929	1,899	2,562	94	9,110	417,352
Additions (at cost)	-	-	42,479	1,441	-	3,367	377	-	193	17,311	65,168
Disposals	-	-	-	-	(3,265)	-	-	-	-	(3,823)	(7,087)
Transfers	-	-	-	(37,130)	-	-	-	-	-	-	(37,130)
Depreciation charge	-	-	(5,462)	(5,450)	(1,395)	(10,463)	(208)	(256)	(61)	(1,626)	(24,921)
Impairment charge	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Closing net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Gross carrying value basis											
As at June 2022											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(96,930)	-	(66,988)	(100,121)	(9,992)	(9,495)	(10,055)	(46,760)	(340,341)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
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.

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

Location	Usage of immoveable property	Land Area (Square Feet)	*Covered Area (Square Feet)	Total Area (Square Feet)
38,38/A,39, Block P, Model Town Link Road, Lahore	Shopping plaza	22,050	70,152	92,202
40, Block P, Model Town Link Road, Lahore	Shopping plaza	22,995	21,933	44,928
Bridge Point Plaza, Fortress Stadium, Lahore Cantt.	Shopping plaza	7,695	16,204	23,899
96-B-I, M.M Alam Road, Gulberg - III, Lahore	Shopping plaza	18,112	68,087	86,199
Mouza Dhola Zarri, Main GT Road Gujranwala	Shopping plaza	21,148	53,601	74,749
Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat	Shopping plaza	27,000	85,347	112,347
124/E-1 Main Boulevard Gulberg III Lahore	Shopping plaza	40,757	81,601	122,358
Bedian Road, Lahore	Management office	7,875	-	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.

19.1.2 Detail of operating fixed assets disposed-off during the year is as follows :

Description	Cost	Book Value	Sale Proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers	Relationship with the purchaser
Year Ended June, 30 2023					*Nill*		
Year Ended June, 30 2022	--- (Rupees in thousand) ---						
Plant & Machinery							
Chiller Air Conditioning	7,001	3,265	11,000	2,235	Negotiation	Third party	None
Owned Vehicles							
Porsche Car	3,950	2,317	3,600	1,283	Negotiation	Third party	None
Toyota Fortuner	4,000	1,505	4,570	3,065	Negotiation	Third party	None
Year Ended June, 30 2022	14,951	7,087	19,170	6,583			

19.1.3 Operating fixed assets include a vehicle, having cost of Rs. 1.39 million (2022: Rs. 1.39 million), which is fully depreciated but still in use as at 30 June 2023.

19.2 This represents Rs. 58.85 million related to the third floor of Pace Tower, covering an area of 4,261 square feet which is under construction and is to be held for use.

		Note	2023	2022
			--- (Rupees in thousand) ---	
19.3	**Right-of-use assets**			
	Land			
	Cost			
	Balance as at 01 July		**119,496**	**119,496**
	Adjustment on initial application of IFRS 16		**-**	-
	Adjusted balance at 01 July		**119,496**	119,496
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**119,496**	119,496
	Accumulated depreciation			
	Balance as at 01 July		**(14,320)**	(9,550)
	Depreciation charge during the year		**(4,770)**	(4,770)
	Balance as at 30 June		**(19,091)**	(14,320)
	Closing net book value		**100,405**	105,176
	Rate of depreciation		**4%**	4%
	Electrical equipment			
	Cost			
	Balance as at 01 July		**15,339**	15,339
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**15,339**	15,339
	Accumulated depreciation			
	Balance as at 01 July		**(12,017)**	(6,903)
	Depreciation charge during the year		**(3,322)**	(5,114)
	Balance as at 30 June		**(15,339)**	(12,017)
	Closing net book value		**-**	3,322
	Rate of depreciation	*19.3.1*	**33%**	33%

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

	Note	2023	2022
Cost of revenue	*31.3*	**22,948**	25,981
Administrative and selling expenses	*32*	**5,673**	8,823
		28,621	34,804

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21 Investment property

	Cost		Fair value	
	2023	2022	**2023**	2022
	--- (Rupees in thousand) ---			
Balance as at 01 July	**883,931**	557,911	**1,803,239**	1,467,614
Initial Recoginition of ROU	-	13,663	-	13,663
Fair value gain/(Loss) on initial recognition	-	-	-	-
Transfer from Inventory at cost	-	228,190	-	228,190
Transfer from PPE at cost	**80,894**	84,167	**80,894**	84,166
	964,825	883,931	**1,884,133**	1,793,633
Fair value gain/ (loss) recorded in statement of profit or loss	-	-	**14,562**	9,607
Disposal during the year	-	-	-	-
As at 30 June	**964,825**	883,931	**1,898,694**	1,803,240

21.1 The forced sale value of investment property excluding right-of-use asset amounts to Rs. 1,580.806 million (2022: Rs. 1,485.768 million).

Investment properties represent Parent Company's interest in land and buildings situated at Model Town Lahore, Gulberg Lahore, Gujranwala and Gujrat. On initial application of IFRS 16, the Parent 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 Parent 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.

21.1.1 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 2023:

	Level 1	**Level 2**	**Level 3**	**Total**
	--- (Rupees in thousand) ---			
Freehold land	-	-	-	-
Buildings	-	-	**1,859,772**	**1,859,772**
Right-of-use assets	-	-	**38,922**	**38,922**
	-	-	**1,898,694**	**1,898,694**

The following is categorization of assets measured at fair value at 30 June 2022:

	Level 1	Level 2	Level 3	Total
		--- (Rupees in thousand) ---		
Freehold land	-	-	-	-
Buildings	-	-	1,747,963	1,747,963
Right-of-use assets	-	-	55,276	55,276
	-	-	1,803,239	1,803,239

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 adopted.

Description	**Significant Unobservable inputs**	**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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22 Lease Receivable

22.1 The Parent 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.

22.2 Maturity Analysis-- Contractural undiscounted cash flows

Lease payments receivable	**Rupees**	**Rupees**
1 - 3 years	**18,374,400**	17,107,200
4 - 6 years	**22,968,000**	20,724,000
7 - 9 years	**28,710,000**	26,565,000
10 - 12 years	**35,887,500**	33,206,250
13 - 15 years	**44,859,375**	41,507,813
More than 15 years	**342,185,669**	358,943,481
	492,984,944	498,053,744

22.3 Reconciliation

	2023	2022
	--- (Rupees in thousand) ---	
Total lease receivable	**492,985**	498,054
Less: Unearned finance income	**(378,243)**	(388,889)
Net investment in lease	**114,742**	109,165
Less: Current portion of lease receivable	**(5,702)**	(5,069)
Non Current portion of lease receivable	**109,040**	104,096

	Note	2023	2022
		--- (Rupees in thousand) ---	

23 Investment in associate

	Note	2023	2022
Associate - unquoted (accounted for under equity method) Pace Barka Properties Limited 75,875,000 (2020: 75,875,000) fully paid ordinary shares of Rs. 10 each Equity held: 24.86% (2020: 24.86%)	*23.1*	**1,123,368**	1,178,011

23.1 Associate - unquoted

	2023	2022
Cost	**758,651**	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognised directly in consolidated profit and loss account	**419,360**	245,020
	1,178,011	1,003,671
Share of profit/(Loss) for the year		
- before taxation	**(54,643)**	(65,302)
- provision for taxation	**-**	(15,515)
	(54,643)	(80,817)
Share of other comprehensive loss	**-**	255,157
Balance as on June 30	**1,123,368**	1,178,011

23.1.1 Pace Barka Properties Limited ("PBPL") was incorporated in Pakistan on 22 November 2005 as an unlisted public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of PBPL is to acquire, construct, develop, sell, rent out and manage shopping malls, appartments, villas, commercial buildings, etc. and to carry on the business of hospitality. The following table summarizes the financial information of PBPL as included in its own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in its associate.

	2023	2022
	--- (Rupees in thousand) ---	
Non-current assets (adjusted for revaluation surplus)	5,197,631	4,506,104
Current assets	2,045,931	2,140,359
Non-current liabilities	1,129,286	985,715
Current liabilities	954,298	922,168
Net assets (100%)	**5,159,978**	4,738,580
Company's share of net assets / carrying amount of interest	**1,282,771**	1,178,011
Revenue	**324,681**	674,154
Profit from operations	**(219,804)**	(311,003)
Other comprehensive income	**-**	1,026,375
Total comprehensive income (100%)	**(219,804)**	715,372
Company's share of total comprehensive income / (Loss)	**(54,643)**	177,841

The financial year end of PBPL is 30 June 2023 and above figures (adjusted with the effect of inconsistencies between Group and PBPL accounting policies) are based on unaudited draft accounts.

24 Long term advances and deposits

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

25 Stock-in-trade

	Note	2023	2022
		--- (Rupees in thousand) ---	
Land purchased for resale	*25.1*	**930,765**	900,000
Work in progress			
Pace Tower	*25.2*	**650,158**	542,267
Pace Circle	*25.3*	**670,650**	670,650
Pace Supermall		**354,600**	354,600
Completed units - shops		**168,091**	177,200
		2,774,264	2,644,717
Stores inventory		**392**	443
		2,774,656	2,645,160

25.1 This represents plot purchased for resale purposes amounting to Rs. 930.77 (2022: Rs. 900 million).

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

25.3 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 (18.2.1).

	Note	2023	2022
		--- (Rupees in thousand) ---	
26 Trade debts			
Secured			
Considered good	*26.1*	**635,083**	701,176
Unsecured		**423,074**	339,786
		1,058,157	1,040,962
Less: Impairment allowance		**(539,221)**	(337,813)
		518,936	703,149

26.1 This includes the following amounts due from related parties:

	2023	2022
Rema & Shehrbano	**4,738**	4,738
First Capital Investment Limited & First Capital Mutual Fund	**4,580**	4,580
First Capital Equities Limited	**118,441**	118,441
First Capital Securities Corporation Limited	**6,681**	6,681
Connatural Cosmetics	**1,450**	1,450
	135,890	135,890

26.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 135.89 million (2022: Rs. 135.89 million).

	Note	2023	2022
		--- (Rupees in thousand) ---	
27 Advances, deposits, prepayments and other receivables			
Advances - considered good:			
- to employees	*27.1*	**11,750**	17,263
- to suppliers	*27.2*	**29,087**	17,391
Advance against purchase of property	*27.3*	-	-
Security deposits	*27.4*	**785**	785
Others - considered good	*27.5*	**44,087**	55,029
		85,709	90,469

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. 5.67 million (2022: Rs. 4.34 million) advance given to executive employee of the Group.

27.2 The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 7.07 million (2022: Rs. 16.91 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.

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 Limited' amounting to Rs. 13.38 million (2022: Rs. 10.84 million). The amount also includes impairment allowance of Nil (2022:Nil) recognised in the current year.

	Note	2023	2022
		--- (Rupees in thousand) ---	
28 Income tax refundable - net			
Income tax refundable	*28.1*	**32,367**	42,418
Provision for taxation - current		**(3,023)**	(22,456)
		29,344	19,962

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	2023	2022
		--- (Rupees in thousand) ---	
29 Cash and bank balances			
Cash in hand		**16**	18
Cash at banks			
- Current accounts	*29.1*	**19,106**	22,208
- Saving accounts	*29.2*	**836**	319
Impairment allowance for expected credit loss		**(302)**	(92)
		19,640	22,435
		19,656	22,453

29.1 This includes Rs. 17 million (2022: Rs. 17 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 5.75% to 19.5% (2020: 5.5% to 12.25%) per annum.

	Note	2023	2022
		--- (Rupees in thousand) ---	
30 Revenue			
Sale of Pace Tower units		-	352,157
Sale of Completed Units - Others		9,773	241,470
Sale of Land	30.1	-	416,817
Display of advertisements		6,547	44,045
Service charges	30.2	123,759	168,194
Revenue from contract with customers		140,079	1,222,683
Other revenue			
Rental income from lease of investment property		101,730	33,643
Total revenue		241,809	1,256,326

30.1 Development services recognised at percentage of completion basis

Revenue recognised to date	1,697,729	1,697,729
Aggregate cost incurred to date	(1,416,173)	(1,416,173)
Recognised profit to date	281,556	281,555

The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the current year, there is no change in percentage of completed units. (2022: Rs. 33 million).

30.2 The Company entered into agreement with Evergreen Water Valley (Private) Limited a related party for the purchase of plot measuring 4 kanals 15 marlas and 175 square feet located at the Plot No. 133 Shadman II, Lahore and sold this plot to Zameen Omega against variable consideration. Therefore, the Company has recognized revenue and contract asset on the basis expected multiple outcome depending on the project approvals.

30.3 Disaggregation of revenue

Timing of revenue recognition		
In time	9,773	1,010,868
Over time	232,036	245,458
	241,809	1,256,326

30.4 Contract balances

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

	Note	2023	2022
		--- (Rupees in thousand) ---	
Receivables, which are included in trade debts	26	1,058,157	1,040,962
Contract liability	30.4.1 & 14	248,894	219,730

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

30.5 Impact of fire in Gulberg Plaza

During the year, a project of the Company situated at the Main Boulevard, Gulberg, Lahore (the mall) was subject to fire. In terms of investment this mall was completely sold out to third parties and the Company had no inventory in the mall, the only revenue involved is in the form of service charges and advertisment which were completely utilized to pay for mall expenses in the form of Bills (Electricity, Sui gas and Water bills) and Maintenance Costs (repair maintenance of the building, machinery and electric equipments) installed at the location in the form of back up generators and air conditioners, Escalotors (HVAC). As the result of this incident all activity of the Gulberg Plaza has entirely stoped resulting into no cash inflows and outflows.

	Note	2023	2022
		--- (Rupees in thousand) ---	
31 Cost of revenue			
Shops and commercial buildings sold			
- at percentage of completion basis	*31.1*	-	345,328
- at completion of project basis	*31.2*	8,940	470,501
Stores operating expenses	*31.3*	109,849	87,424
		118,789	903,253

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

	2023	2022
Opening work in progress (Pace Tower)	542,267	725,051
Opening work in progress (Pace Circle)	670,650	776,187
Purchase of inventory	107,890	116,207
Project development costs	-	14,050
Write down of inventory to net realisable value	-	(7,130)
Property disposed / settled	-	(66,120)
Closing work in progress (Pace Tower)	(650,158)	(542,267)
Closing work in progress (Pace Circle)	(670,650)	(670,650)
	-	345,328

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

	2023	2022
Opening inventory of shops and Land	1,077,200	1,473,009
Purchase during the year	-	430,000
Transfer to Investment Property	-	(228,190)
Transfer to Property, Plant & Equipment	-	(15,691)
Settlement	-	(74,506)
Write down of inventory to net realisable value	30,596	(36,921)
Closing inventory of shops and Land	(1,098,856)	(1,077,200)
	8,940	470,501

		Note	2023	2022
			--- (Rupees in thousand) ---	
31.3	**Stores operating expenses**			
	Salaries, wages and benefits	*31.3.1*	**38,303**	44,070
	Rent, rates and taxes		**14,868**	5,909
	Depreciation on owned assets	*19.4*	**14,856**	16,098
	Depreciation on right-of-use assets	*19.4*	**8,092**	9,883
	Repairs and maintenance		**4,024**	9,813
	Janitorail		**1,741**	-
	Fuel and Power		**27,964**	-
	Others		**-**	1,651
			109,849	87,424

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

	2023	2022
Current service cost	**2,087**	3,073
Interest cost	**2,046**	1,855
	4,133	4,928

32 Administrative and selling expenses

	Note	2023	2022
Salaries, wages and benefits	*32.1*	**61,410**	57,954
Travelling and conveyance		**1,387**	2,399
Rent, rates and taxes		**2,285**	870
Insurance		**1,319**	1,605
Printing and stationery		**160**	307
Repairs and maintenance		**21,464**	23,711
Motor vehicles running		**1,481**	2,209
Communications		**597**	797
Advertising and sales promotion		**16**	9,275
Depreciation on owned assets	*19.4*	**5,673**	8,823
Amortisation on intangible assets		**502**	505
Auditors' remuneration		**4,214**	4,614
Legal and professional		**5,968**	9,174
Commission on sales		**4,830**	4,950
Office expenses		**988**	53,167
Impairment loss on trade and other receivables	*20*	**210,528**	42,104
Impairment loss on Inventory	*32.2*	**169**	45,291
Impairment loss on Property, Plant & Equipment		**-**	11,912
Other expenses		**5,888**	7,902
		328,879	287,569

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

	2023	2022
Current service cost	**3,131**	4,609
Interest cost	**3,069**	2,783
	6,200	7,392

	Note	2023	2022
		--- (Rupees in thousand) ---	

32.2 Auditors' remuneration

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

	2023	2022
Statutory audit	**2,495**	2,275
Half yearly review	**847**	770
Audit of consolidated financial statements	**220**	220
Statutory certification	**110**	110
Out of pocket expenses	**542**	542
Audit experts (valuer) fee	**-**	-
	4,214	3,917

33 Other income

	Note	2023	2022
Income from financial assets			
Mark-up on bank accounts		**120**	264
Commission on guarantee	*33.1*	**1,238**	1,238
Finance Income from Lease Receivable		**10,646**	10,139
Income from non-financial assets			
Reversal of impairment loss on inventory		**30,765**	
Gain on sale of property, plant and equipment		**-**	6,583
Others			
Gain on settlement of loans		**12,631**	236,173
Income from parking and storage		**-**	4,996
Miscellaneous Income			4,900
Others		**5,231**	27,384
Liabilities Written-back		**60,001**	14,788
		120,632	306,465

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

34 Finance cost

	2023	2022
Interest and mark-up on:		
- Long term finances - secured	**17,276**	12,109
- Foreign currency convertible bonds - unsecured	**-**	27,667
- Redeemable capital - secured (non-participatory)	**140,366**	91,581
- Interest expense on unwinding of Pak Iran Joint Investment Company	**-**	-
- Notional interest on lease liability	**24,733**	24,618
	182,375	155,975
Liquidated damages due to default of Pak Iran loan	**-**	-
Bank charges and processing fee	**166**	153
	182,541	156,128

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	Note	2023	2022
		--- (Rupees in thousand) ---	

35 Taxation

		2023	2022
Income Tax			
- Current Year		3,023	22,456
- Prior Year		-	2,612
		3,023	25,068
Deferred tax for the year		-	26,151
		3,023	51,219

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2022: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001.

The relationship between income tax expense and accounting profit has not been presented in these financial statements as the tax liability is calculated under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2022: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

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 of the Parent Company and weighted-average number of ordinary shares outstanding. There are no dilutive potential ordinary shares outstanding as at 30 June 2021 (2020: Nil).

	2023	2022
	--- (Rupees in thousand) ---	
Profit/ (Loss) for the year attributable to owners of the Parent Company	(1,732,321)	(725,482)
Weighted average number of ordinary shares outstanding during the year	278,877	278,877

	Note	2023	2022
		--- (Rupees in thousand) ---	
37 Cash (used in) / generated from operations			
Profit/ (Loss) before tax		**(1,729,298)**	(674,264)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	*11.2*	**1,421,449**	815,383
Provision for gratuity and leave encashment	*12.1 & 12.2*	**10,333**	12,320
Depreciation on owned assets	*19.4*	**20,529**	22,874
Depreciation on right-of-use assets	*19.4*	**8,092**	9,884
Amortisation on intangible assets	*20*	**502**	505
Changes in fair value of investment property	*21*	**14,562**	(84,166)
Share of profit/ (loss) from associate		**54,643**	80,817
Impairment loss on trade debts and other receivables		**210,528**	42,104
Write down of inventory to net realisable value	*31.2*	**169**	-
Finance costs	*34*	**182,375**	155,975
Mark-up income	*33*	**(120)**	(264)
Loss/ (Gain) on sale of property, plant and equipment	*33*	**-**	(6,583)
Non cash income	*33*	**(83,278)**	(219,327)
(Loss) / Gain before working capital changes		**110,485**	155,258
Effect on cash flow due to working capital changes:			
(Increase)/ Decrease in stock-in-trade		**(107,891)**	672,285
(Increase)/ Decrease in trade debts		**(17,195)**	(230,012)
(Increase)/ Decrease in advances, deposits and other receivables		**4,760**	248,219
Increase/ (Decrease) in contract liability		**29,164**	(127,525)
Increase/ (Decrease) in creditors, accrued and other liabilities		**96,192**	(10,873)
		5,030	552,094
		115,515	707,352

38 Cash and cash equivalents

	Note	2023	2022
Cash and bank balances	*29*	**19,656**	22,453

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

	30 June 2023							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	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 2022	2,788,766	273,265	-	66,860	935,571	180,043	3,741,777	1,143,032
Cash flows								
Long term loan paid during the year	-	-	-	-	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(9,294)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	-	(9,294)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	1,421,449	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	(149,715)
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	(4,567)	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(15,720)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,733	-	294,726
Total non-cash changes	-	-	-	-	-	4,446	1,421,449	145,011
Balance as at 30 June 2023	2,788,766	273,265	-	66,860	935,571	175,196	5,163,226	1,288,043

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Pace (Pakistan) Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

	30 June 2022							
	Equity		Liabilities					
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	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 2021	2,788,766	273,265	-	66,860	935,571	179,330	2,895,217	1,189,058
Cash flows								
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)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	818,893	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	-
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(7,513)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	23,475	27,667	(46,026)
Total non-cash changes	-	-	-	-	-	15,962	846,560	(46,026)
Balance as at 30 June 2022	2,788,766	273,265	-	66,860	935,571	180,043	3,741,777	1,143,032

40 Transactions with related parties

The related parties comprise of associated company, other related companies, directors of the Group under common directorship and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these consolidated 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	2023	2022
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	**Associated Company** (equity held 24.86%)	Guarantee commission income	**1,238**	1,238
		Shared expenses charged by the Company	-	571
		Sale during the year	**62,827**	84,375
		Rental income	-	1,980
		Payment against purchase of inventory	-	29,693
		Purchase of inventory	-	64,843
Ever Green Water Valley (Private) Limited	**Common Directorship**	Sale during the year	-	166,750
		Purchase of floor / plot	**80,894**	430,000
		Payment against purchase of plot	-	50,000
		Purchase of goods and services	**107,892**	44,131
		Shared expenses charged by the Company	-	-
First Capital Equities Limited	**Common Directorship**	Sale during the year	-	139,822
		Rental income	-	-
Media Times Limited	**Common Directorship**	Rental income	**5,069**	5,069
		Advertisement expense	-	9,000
Remy Apparel (Formerly Rema and Shehrbano)	**Common Directorship**	Service charges	-	337
Connatural	**Common Directorship**	Service charges	-	5,462

41 Financial instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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	2023	2022
		--- (Rupees in thousand) ---	
Long term advances and deposits		**15,248**	13,619
Trade debts	*26*	**518,936**	703,149
Advances, deposits, prepayments and other receivables	*27*	**85,709**	73,077
Bank balance	*29*	**19,640**	22,415
Lease Receivable		**114,742**	109,165
Contract asset		**356,817**	356,817
		1,111,092	1,278,241

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:

	2023		2022	
	Gross	**Impairment**	Gross	Impairment
		--- (Rupees in thousand) ---		
- Past due 0 - 365 days	**122,189**		224,507	
- 1 - 2 years	**47,052**	**(539,221)**	66,084	(337,813)
- More than 2 years	**888,916**		750,371	
	1,058,157	**(539,221)**	**1,040,962**	**(337,813)**

Bank balances

The Company held bank balances of Rs. 19.64 million at 30 June 2023 (2022: Rs. 22.42 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 2023 is Nil. (2022: 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		
	Short term	Long term	Agency	2023	2022
				--- (Rupees in thousand) ---	
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	56	30
Allied Bank Limited	A1+	AAA	PACRA	41	3,019
Askari Bank Limited	A1+	AA+	PACRA	8	7
Bank Alfalah Limited	A1+	AA+	PACRA	1	1
Bank Islamic Pakistan Limited	A1	AA-	PACRA	11	11
Faysal Bank Limited	A1+	AA	PACRA	1,718	39
Habib Bank Limited	A1+	AAA	VIS	0	0
MCB Bank Limited	A1+	AAA	PACRA	17,762	18,679
Silk Bank Limited	A1	A+	VIS	5	613
Soneri Bank Limited	A1+	AA-	PACRA	11	10
United Bank Limited	A1+	AAA	VIS	6	6
				19,640	22,415

41.2 **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group 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.

	2023				
	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)	815,691	805,118	805,118	-	-
Lease liability	178,822	178,822	29,160	58,570	91,093
Foreign currency convertible bonds - unsecured	5,032,036	5,032,036	5,032,036	-	-
Creditors, accrued and other liabilities	864,529	864,529	864,529	-	-
Accrued finance cost	1,348,745	1,348,745	1,348,745	-	-
	8,306,683	8,296,110	8,146,448	58,570	91,093

	2022				
	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)	815,691	815,691	815,691	-	-
Lease liability	183,668	183,669	32,492	71,602	79,576
Foreign currency convertible bonds - unsecured	3,610,587	3,610,587	3,610,587	-	-
Creditors, accrued and other liabilities	696,745	696,745	696,745	-	-
Accrued finance cost	1,203,734	1,203,734	1,203,734	-	-
	6,577,285	6,577,287	6,426,109	71,602	79,576

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 Group'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 Group is not exposed to foreign currency risk as at the reporting date.

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

	2023	2022
Following is the Group's exposure to currency risk:	**--- (USD in thousand) ---**	
Foreign Currency Convertible Bonds - USD	**17,527**	17,527

The exchange rate applicable at the reporting date is 287.10 (2022: 206)

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 Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2023		2022	
		Financial asset	**Financial liability**	Financial asset	Financial liability
Non-derivative financial - instruments	*Note*	**--- (Rupees in thousand) ---**			
Fixed rate instruments					
Long term finances - secured	*8*	-	**66,860**	-	66,860
Foreign currency convertible bonds	*11*	-	**5,032,036**	-	3,610,587
Lease liability	*10*	-	**178,822**	-	183,668
Cash at bank	*29*	**836**	-	549	-
Variable rate instruments					
Redeemable capital - secured	*9*	-	**805,118**	-	935,571
		836	**6,082,836**	549	4,796,686

The Group 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			
2023		2022	
Increase	**Decrease**	Increase	Decrease
--- (Rupees in thousand) ---			
(8,051)	**8,051**	9,356	(9,356)

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

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 Group'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 Group 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 Group 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.

	2023	2022
	--- (Rupees in thousand) ---	
Total liabilities	**8,657,065**	6,865,537
Less: cash and cash equivalents	**(19,656)**	(22,453)
Net debt	**8,637,409**	6,843,084
Total equity	**(1,264,240)**	(12,449)
Net debt to equity ratio	**(6.83)**	(549.67)

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:

	Note	30 June 2023					
		Carrying amount			Fair value		
		Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
30 June 2023							
Financial assets not measured at fair value							
Long term advances and deposits		15,248	-	15,248	-	-	-
Trade debts		518,936	-	518,936	-	-	-
Advances, deposits, prepayments			-	-			
and other receivables		85,709	-	85,709	-	-	-
Cash and bank balances		19,656	-	19,656	-	-	-
Lease Receivables		114,742		109,165			
Contract Assets		356,817		356,817			
	42.2	1,111,108	-	1,105,531	-	-	-
Financial liabilities not measured at fair value							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	(815,691)	(815,691)	-	-	-
Lease liability		-	178,822	178,822	-	-	-
Foreign currency convertible bonds - unsecured		-	5,032,036	5,032,036	-	-	-
Creditors, accrued and other liabilities		-	434,197	434,197	-	-	-
Accrued finance cost		-	1,348,745	1,348,745	-	-	-
	42.2	-	6,244,969	6,244,969	-	-	-

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42.1 Fair value measurement of financial instruments

		30 June 2022					
		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 2023</u>							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		703,149	-	703,149	-	-	-
Advances, deposits, prepayments and other receivables		73,077	-	73,077	-	-	-
Cash and bank balances		22,453	-	22,453	-	-	-
Lease Receivables		109,165		109,165			
Contract Assets		356,817		356,817			
	42.2	1,278,280	-	1,278,280	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	815,691	815,691	-	-	-
Lease liability		-	183,668	183,668	-	-	-
Foreign currency convertible bonds - unsecured		-	3,610,587	3,610,587	-	-	-
Creditors, accrued and other liabilities		-	696,745	696,745	-	-	-
Accrued finance cost		-	1,203,734	1,203,734	-	-	-
	42.2	-	6,577,285	6,577,285	-	-	-

42.2 The Group 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.

43 Remuneration of Chief Executive, Directors and Executives

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

	DIRECTORS					
	Chief Executive		Executive		Executives	
	2023	2022	**2023**	2022	**2023**	2022
	--- (Rupees in thousand) ---					
Managerial remuneration	**7,600**	7,600	**2,725**	2,726	**7,146**	6,815
House allowance	**3,040**	3,040	**1,089**	1,090	**2,858**	2,726
Utilities	**760**	760	**273**	273	**715**	682
Staff retirement benefit-Gratuity	**950**	950	**341**	341	**893**	852
Leave encashment	**633**	633	**227**	227	**859**	578
	12,983	12,983	**4,655**	4,656	**12,470**	11,653
Number of persons	**1**	1	**1**	1	**7**	7

44 Number of employees

	2023	2022
Total number of employees as at 30 June	**136**	136
Average number of employees during the year	**132**	160

45 Date of authorization for issue

These consolidated financial statements were authorized for issue on 06 OCT 2023 by the Board of Directors of the Company.

46 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. However, there is no material changes / reclassification.

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: __________________	

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 2023 at 11:30 a.m. and at any adjournment thereof.

Signed under my/our hands on this _________________day of _____________, 2023

Affix Revenue Stamp of
Rupees Fifty

____
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) 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.

پراکسی فارم

فولیونمبر/CDC اکاؤنٹ نمبر: ______________
ملکیتی حصص: ______________

کمپنی سیکریٹری
پیس (پاکستان) لمیٹڈ
فرسٹ کیپیٹل ہاؤس
96-B/1، ایم ایم عالم روڈ،
گلبرگ-III، لاہور

میں/ہم .... ولد/بنت/زوجہ .... شناختی کارڈ نمبر ....
بطور رکن (اراکین) پیس (پاکستان) لمیٹڈ مسمی/مسماۃ .... ولد/بنت/زوجہ ....
شناختی کارڈ نمبر .... یا اس /ان کی عدم حاضری پر مسمی/مسماۃ ....
ولد/بنت/زوجہ .... شناختی کارڈ نمبر .... کو مؤرخہ 28 اکتوبر 2023ء کو دن 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا مابعد نشست میں اپنی جانب سے ووٹ کرنے کے لئے اپنا پراکسی مقرر کرتا/کرتی/کرتے ہوں/ہیں۔
مؤرخہ .... 2023ء کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی ریوینیو ٹکٹ چسپاں کریں

____
دستخط رکن
(دستخط کمپنی کے ساتھ رجسٹرڈ دستخط کے مطابق ہونے چاہئیں)
مندرجہ ذیل کی موجودگی میں دستخط کئے گئے:

______________ **دستخط گواہ 1**	______________ **دستخط گواہ 2**
نام:	نام: ....
شناختی کارڈ:	شناختی کارڈ: ....

مندرجات:

1) اجلاس میں شرکت اور رائے شماری کرنے کا/کی اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے/دوسری رکن کو اپنا/اپنی پراکسی مقرر کر سکتا/سکتی ہے۔ مؤثر کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔

2) 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 آفس واقع فرسٹ کیپیٹل ہاؤس، 96-B/1، لوئر گراؤنڈ فلور، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے۔

a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بینیفیشل 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/مختار نامہ 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 بینیفیشل 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/مختار نامہ پراکسی فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔