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 highest quality and 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.

CONTENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

COMPANY INFORMATION

Board of Directors	Shehryar Ali Taseer (Chairman)	Non-Executive
	Aamna Taseer (CEO)	Executive
	Shahbaz Ali Taseer	Executive
	Shehrbano Taseer	Non-Executive
	Kanwar Latafat Ali Khan	Non-Executive
	Sulaiman Ahmed Saeed Al-Hoqani	Non-Executive
	Syed Abid Raza	Non-Executive
	Mohammed Imran Chaudhry	Independent
Chief Financial Officer	Usman Ali Tariq	
Audit Committee	Shehrbano Taseer (Chairman)	
	Shahryar Ali Taseer	
	Syed Abid Raza	
	Mohammed Imran Chaudhry	
Human Resource and Remuneration (HR&R) Committee	Shehryar Ali Taseer (Chairman)	
	Aamna Taseer	
	Shahbaz Ali Taseer	
Company Secretary	Sajjad Ahmad	
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Legal Advisers	M/s. Imtiaz Siddiqui & Associates	
Bankers	Allied Bank Limited	
	Albaraka Bank (Pakistan) Limited	
	Askari Bank Limited	
	Bank Alfalah Limited	
	Faysal Bank Limited	
	Habib Bank Limited	
	KASB Bank Limited	
	National Bank of Pakistan	
	NIB Bank Limited	
	Silk Bank Limited	
	Soneri Bank Limited	
	PAIR Investment Company Limited	
	Bank of Punjab	
	United Bank Limited	
	Muslim Commercial Bank	
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor State Life Building No.3, Dr. Zia-ud-Din Ahmed Road Karachi ☎ (021) 111-000-322	
Registered Office/Head Office	2nd Floor, Pace Shopping Mall Fortress Stadium, Lahore Cantt Lahore, Pakistan ☎ (042)-36623005/6/8	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "PACE") will be held on Friday, 28 October 2016 at 12:30 p.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, the Registered Office of the Company, to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 31 October 2015;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2016 together with the Directors' and Auditors' reports thereon;

3. To appoint the Auditors of the Company for the year ending 30 June 2017 and to fix their remuneration;

Special Business

4. To consider and if deemed fit, to pass the following resolutions with or without modifications, addition(s) or deletion(s) as special resolutions for alteration in the Articles of Association of the Company, to set out the members' right to exercise their votes by electronic means as prescribed by the Companies (E-Voting) Regulations as amended or revised from time to time:

"RESOLVED THAT pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 as amended or revised from time to time and any other law(s), a new Article 32-A be added immediately after Article 32;

32-A. In addition to the voting options available to the members under Article 32, the Company shall also provide the option of e-voting to the members i.e. members to vote through electronic means in accordance with the procedure prescribed under the laws for the time being in force.

"RESOLVED FURTHER THAT the Articles 37, 40, 41 and 44 of the Articles of Association of the Company be altered to read as under;

37. On a show of hands every member present in person or by proxy shall have one vote and upon a poll every member present in person or by proxy or through electronic means every member or his proxy shall have one vote for every share held by him. Provided always that in case of elections or removal of Directors, voting shall be held in accordance with the provisions of the Ordinance;

40. On a poll or through electronic means, votes may be given either personally or by proxy. Provided that nobody corporate shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of section 162 is in force.

41. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing. A proxy must be a member of the Company. Provided in case of e-voting, a proxy may or may not be a member of the Company.

44. **PACE (PAKISTAN) LIMITED**

Option 1
Appointing other person as Proxy

I/we_____________________ S/o D/o W/o _________________CNIC being a member of Pace (Pakistan) Limited and holder of _________ (number of shares) Class______ Ordinary shares as per Registered Folio No. ________ hereby appoint Mr./Mrs./Ms./ ________________________S/o D/o W/o ______________________CNIC __________ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting, as the case may be) of the Company to be held on ______________ and at any adjournment thereof.

Signed under my/our hands on this __________________day of _____________, 20___

____
Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

___________________ ___________________
Signature of Witness 1 Signature of Witness 2

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

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

____
Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

___________________ ___________________
Signature of Witness 1 Signature of Witness 2

RESOLVED FURTHER THAT the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolutions.

5. To consider dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD/DVD/USB instead of transmitting the same in the form of hard copies:

   "RESOLVED THAT dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD/DVD/USB as notified by Securities and Exchange Commission of Pakistan vide its SRO No. 470(I)/2016 dated 31 May 2016 be and is hereby approved.

By order of the Board

Sajjad Ahmad
Company Secretary

Lahore:
07 October 2016

Notes:

1) The Members Register will remain closed from 21 October 2016 to 28 October 2016 (both days inclusive). Transfers received at THK Associates (Pvt.) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmad Road, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2016 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 at the Registered Office 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 registered office of the company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting.

4) 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.

5) Members are requested to notify any change in their registered address immediately.

6) **Computerized National Identity Card (CNIC) / National Tax Number (NTN)**

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)2012 dated 5 July 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided the their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar, THK Associates (Pvt.) Limited without any further delay.

7) **Availability of Audited Financial Statements on Company's Website**

The Company has placed the Audited Annual Financial Statements for the ended 30 June 2015 along with Auditors and Directors Reports thereon on its website:www.pacepakistan.com

8) **Transmission of Financial Statements to the Members through E-mail**

In pursuance of SECP notification S.R.O. 787 (I) 2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through E-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.pacepakistan.com

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 PERTAINING TO SPECIAL BUSINESS

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 28 October 2016.

The Board of Directors of Pace (Pakistan) Limited ("the Company") in their meeting held on 28 September 2016 has recommended to amend Articles of Association of the Company in compliance with the requirements of The Companies (E-voting) Regulations 2016 in order to set out the members' right to exercise their votes by electronic means as prescribed by the Companies (E-Voting) Regulations as amended or revised from time to time. In the case of E-voting, both members and non-members can be appointed as proxy. The instruction to appoint execution officer and option to e-vote through intermediary shall be required to be deposited with the Company, at least ten (10) days before holding the general meeting, at the Company's registered office address or through email. The Company will arrange E-voting if the Company receives demand for poll for at least five (5) members or by any member or members having not less than one tenth (1/10) of the voting power.

Securities and Exchange Commission of Pakistan vide its SRO No. 470(I)/2016 dated 31 May 2016 has allowed dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD/DVD/USB instead of transmitting the same in the form of hard copies. However, for convenience of the shareholders standard request form will be uploaded on the Company's website for those who opt to receive hard copies (in book form) of the Annual Audited Accounts at their registered addresses:

The Directors of the Company have no interest, directly or indirectly in the above business.

پیس (پاکستان) لمیٹڈ
سالانہ اجلاس عام

نوٹس ہذا کے ذریعے اطلاع دی جاتی ہے کہ پیس (پاکستان) لمیٹڈ (دی کمپنی یا پیس) کے حصہ داران کا 25 واں اجلاس عام بروز جمعہ 28 اکتوبر 2016 کو بوقت 12:30 بجے دوپہر بمقام دوسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور میں مندرجہ ذیل امور کی معاملت کے لئے منعقد ہوگا۔

عمومی کاروبار:

ا۔ 31 اکتوبر 2015ء منعقد ہونے والے سالانہ اجلاس عام کی کاروائی کی تصدیق

۲۔ 30 جون 2016ء کو ختم ہونے والے سال کے لئے ڈائریکٹرز اور آڈیٹرز کی رپورٹوں کے ہمراہ کمپنی کی مالیاتی سٹیٹمنٹ کی وصولی، ان پر غور و خوص اور انہیں اختیار کرنا۔

۳۔ 30 جون 2017ء کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور مشاہرہ کا تعین۔

خصوصی کاروبار:

۴۔ اگر مناسب سمجھا جائے تو غور کرنا اور درج ذیل قرار داد کو بمعہ یا بغیر ترمیم، اضافے یا منسوخی کے ساتھ خصوصی قرارداد کے طور پر کمپنی کے آرٹیکل آف ایسوسی ایشن میں تبدیل کے لیے منظور کرنا، تاکہ ممبران کمپنیز (E-Voting) کے وقتاً فوقتاً ترمیم شدہ تبدیل شدہ ضابطوں کے تحت برقیاتی طریقوں سے اپنے ووٹ کا حق استعمال کرسکیں

قرار پایا کہ کمپنیز آرڈیننس 1984 کے سیکشن 28 اور دیگر قابل اطلاق ضابطوں، اگر کوئی ہوں، اور کسی بھی دیگر قانون (قوانین) کے مطابق ایک نئے آرٹیکل 32-A کو آرٹیکل 32 کے فوری بعد شامل کیا جائے۔

32-A آرٹیکل 32 کے تحت ممبران کو دیئے گئے ووٹنگ کے اختیارات کے علاوہ، کمپنی ممبران کو ای۔ ووٹنگ کا اختیار بھی دیتی ہے یعنی ممبران لاگو حالیہ ضابطوں کے تحت الیکٹرونک ذریعے سے ووٹ دے سکتے ہیں۔

مزید قرار پایا کہ آرٹیکلز آف کمپنی کے آرٹیکلز 37,40,41 اور 44 میں ترمیم کر کے درج ذیل طور پر پڑھا جائے۔

37۔ ہاتھ اٹھا کر گنتی کے موقع پر ہر ممبر جو ذاتی طور پر یا بذریعہ پراکسی موجود ہو اس کا ایک ووٹ شمار ہوگا اور رائے شماری کے موقع پر ہر ممبر جو ذاتی طور پر یا بذریعہ الیکٹرونک طریقے سے موجود ہو تو ممبر یا اس کے پراکسی کو ہر ایک شیئر کے لیے ایک ووٹ ملے گا۔ جبکہ ڈائریکٹرز کے انتخاب یا برطرفی کی صورت میں، آرڈیننس کے ضابطوں کے مطابق ووٹنگ ہوگی۔

40۔ انتخاب یا الیکٹرانک ذرائع سے ووٹ ذاتی طور پر یا پراکسی کے ذریعے دیا جاسکتا ہے۔ کوئی کارپوریٹ اس وقت تک پراکسی کے ذریعے ووٹ نہیں دے سکتا جب تک لاگو سیکشن 162 کی شرائط کے مطابق اس کے ڈرائیکٹر ان قرارداد منظور نہ کرلیں۔

41۔ پراکسی تقرری کے لیے ہدایت تقرر کنندہ کی اپنی تحریر یا باقاعدہ طور پر مقرر کرکے گئے ان کے وکیل کی تحریر میں ہونی چاہیے۔ پراکسی کے لیے کمپنی کا رکن ہونا ضروری ہے۔ E-Voting کی صورت میں پراکسی کمپنی کا ممبر یا غیر ممبر بھی ہوسکتا ہے۔

44۔

پیس (پاکستان) لمیٹڈ

آپشن 1

کسی دوسرے فرد کی بطور پراکسی نامزدگی

میں/ ہم ________ ولد/ خاوند ________ کمپیوٹرائزڈ قومی شناختی کارڈ ________ پیس (پاکستان) لمیٹڈ کا ممبر ہوں اور رجسٹرڈ فولیو نمبر ________ کے تحت (شیئرز کی تعداد) کلاس ________ آرڈینری شیئرز کی تحویل رکھتا ہوں اور بذریعہ ہذا جناب/ محترمہ ____ والد/ خاوند ________ کمپیوٹرائزڈ قومی شناختی کارڈ ________ کو اپنا پراکسی نامزد کرتا ہوں کہ وہ میری/ ہماری جانب سے کمپنی کے (سالانہ یا غیر معمولی اجلاس میں ووٹ دیں یا جو بھی صورت ہو) جو کہ کو یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

آج بتاریخ ________ کو دستخط کیا گیا۔

____

ممبر کا دستخط

(یہ دستخط کمپنی کے پاس رجسٹر شدہ دستخط کے جیسا ہونا چاہیے)

درج ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

________ گواہ نمبر 1 کا دستخط

________ گواہ نمبر 2 کا دستخط

آپشن 2

کمپنیز (ای۔ ووٹنگ) 2016 ضابطوں کے مطابق ای۔ ووٹنگ

میں/ ہم ________ ولد/ خاوند ________ کمپیوٹرائزڈ قومی شناختی کارڈ ________ پیس (پاکستان) لمیٹڈ کا ممبر ہوں اور رجسٹرڈ فولیو نمبر ________ کے تحت (شیئرز کی تعداد) کلاس ________ آرڈینری شیئرز کی تحویل رکھتا ہوں اور بذریعہ ہذا ثالث کے ذریعے ای۔ ووٹنگ کا انتخاب کرتا ہوں اور بذریعہ ہذا ایگزیکیوشن آفیسر کو بطور پراکسی نامزد کرتا ہوں اور یہ کمپنیز (ای۔ ووٹنگ) 2016 ضابطوں کے تحت ای۔ ووٹنگ انجام دیں گے اور بذریعہ ہذا قراردادوں کے لیے انتخاب کا مطالبہ کریں گے، میرا/ ہمارا محفوظ ای میل ایڈریس ________ ہے برائے مہربانی مجھے/ ہمیں ای میل کے ذریعے لاگ ان تفصیلات، پاس ورڈ اور الیکٹرونک دستخط فراہم کریں۔

____

ممبر کا دستخط

(یہ دستخط کمپنی کے پاس رجسٹر شدہ دستخط کے جیسا ہونا چاہیے)

درج ذیل گواہان کی موجودگی میں دستخط کیا گیا:

________ گواہ نمبر 1 کا دستخط

________ گواہ نمبر 2 کا دستخط

مزید قرار پایا کہ چیف ایگزیکٹو یا کمپنی سیکرٹری کو بذریعہ ہذا اختیار دیا جاتا ہے کہ وہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لیے تمام لازمی اور ضروری اقدامات، کاروائیاں انجام دیں بشمول کمپنیز کے رجسٹرار کو تمام مطلوبہ دستاویزات/ باضابطہ فارمز فراہم کرنا اور دیگر تمام قانونی ضابطوں پر عملدآمد یقینی بنانا تاکہ آرٹیکلز آف ایسوسی ایشن میں ترامیم کو مئوثر بنانے کے علاوہ مذکورہ بالا قرارداد کو لاگو کرنا۔

5۔سالانہ آڈٹڈ اکاؤنٹس کی حصہ داران کو اطلاع تحریری صورت کی بجائے سوفٹ فارم (Soft Form) یعنی CD/DVD/USB کی صورت میں فراہم کرنے پر غور کرنا قرار پایا کہ سیکیورٹیز اینڈ کمیشن آف پاکستان کے SRO No. 470(I)2016 بتاریخ 31 مئی 2016 کے مطابق شیئر ہولڈرز کو سالانہ آڈٹ شدہ حسابات سے متعلق معلومات سافٹ شکل یعنی CD/DVD/USB کی شکل میں فراہم کیئے جانے کو بذریعہ ہٰذا منظور کیا جاتا ہے۔

حسب الحکم بورڈ

سجاد احمد

کمپنی سیکرٹری

لاہور: 7 اکتوبر 2016

نوٹس:

۱) رجسٹرڈ ممبران 21 اکتوبر 2016ء سے 28 اکتوبر 2016ء (بشمول ہر دو ایام) بند رہے گا۔ 20 اکتوبر 2016ء کو کاروبار کے اختتام تک کمپنی کے رجسٹرار اور شیئر ٹرانسفر آفس THK Associates (Pvt) Ltd.، گراؤنڈ فلور، سٹیٹ لائف بلڈنگ 3، ڈاکٹر ضیاء الدین احمد روڈ، کراچی کو وصول ہونے والی منتقلیاں سالانہ اجلاس عام کے لئے بروقت تصور کی جائیں گی۔

۲) ہر وہ ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی اور ممبر کو شرکت کرنے اور ووٹ دینے کے لئے اپنا پراکسی مقرر کرسکتا ہے۔ پراکسی کے موثر ہونے کے لئے ضروری ہے کہ وہ کمپنی کے رجسٹرڈ دفتر میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل وصول ہو جائے۔

۳) دستاویز پراکسی اور مختار نامہ یا کوئی اور اتھارٹی (اگر کوئی ہو) جس کے تحت یہ دستخط شدہ یا نوٹری تصدیق شدہ ہو کے موثر ہونے کے لئے ضروری ہے کہ اس کی تصدیق شدہ کاپی کمپنی کے رجسٹرڈ آفس بمقام دوسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور کینٹ، لاہور میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جائے۔

۴) ا۔ اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل CDC کے انفرادی فائدہ مند مالکان کے لیے ضروری ہے کہ وہ شرکت کنندہ کی ID اور اکاؤنٹ/ سب اکاؤنٹ نمبر ہمراہ اصلی CNIC یا پاسپورٹ اس کے شناخت ثابت کرنے کے لیے ہمراہ لائیں۔ کارپوریٹ ہستی کی صورت میں بورڈ آف ڈائیریکٹرز کی قرارداد/ پاور اوراٹارنی مقرر کردہ کے دستخطوں کے نمونے کے ساتھ (پہلے سے جمع نہ کرانے کی صورت میں) اجلاس کے وقت پیش کرے۔

ب۔ پراکسیوں کی تقرری کے لیے CDC کے انفرادی فائدہ مند مالکان پراکسی فارم مندرجہ بالا ضرورت کے تحت شریک کنندہ کے شناختی کارڈ اور اکاؤنٹ/ سب اکاؤنٹ نمبران کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ فراہم کریں گے۔ پراکسی فارم کے لیے ضروری ہے کہ وہ دہ گواہان کے ناموں، پتہ جات اور CNIC نمبرز کے ساتھ گواہ شدہ ہوں۔ پراکسی اجلاس کے وقت اپنا اصلی CNIC یا پاسپورٹ فراہم کرے گا/ گی۔ کارپوریٹ ہستی کی صورت میں بورڈ آف ڈائیریکٹرز کی قرارداد/ پاور آف اٹارنی پراکسی فارم نمونے کے دستخطوں کے ساتھ جمع کروایا جائے گا (پہلے سے جمع نہ کرانے کی صورت میں)

۵) ممبران سے درخواست ہے کہ اپنے رجسٹرڈ پتہ میں کسی تبدیلی کی صورت میں فوری اطلاع کریں۔

۶) کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) / نیشنل ٹیکس نمبر (NTN)

حصہ داران کے کمپیوٹرائزڈ شناختی کارڈ یا NTN سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق جو کہ S.R.O 831(1)2012 مورخہ 5 جولائی 2012 کے تحت آنے والے ڈیویڈنٹ وارنٹس وغیرہ کے اجراء کے لیے لازمی ہیں۔ اور ان کی عدم موجودگی میں SECP کی مندرجہ بالا ہدایت کے مطابق منافع کی رقم روکی جاسکتی ہے۔ چنانچہ ان حصہ داران جنہوں نے ابھی تک اپنے شناختی کارڈ یا NTN فراہم نہیں کیے ہیں کو ایک مرتبہ پھر ہدایت کی جاتی ہے کہ وہ اپنے شناختی کارڈ یا NTN (اگر پہلے مہیا نہیں کے گئے) کی تصدیق شدہ کاپیاں براہ راست یا ہمارے آزاد شیئر رجسٹرار THK ایسوسی ایٹس پرائیویٹ لمیٹڈ کو مزید کسی تاخیر کے فراہم کریں۔

۷) فنانشل سٹیٹمنٹ آڈٹ شدہ کمپنی کی ویب سائٹ پر دستیابی

کمپنی نے 30 جون 2016 کو ختم ہونے والے سال کی آڈٹ شدہ فنانشل سٹیٹمنٹ، آڈیٹرز اور ڈاریکٹرز رپورٹس کمپنی کی ویب سائٹ www.pacepakistan.com پر مہیا کردی ہیں۔

۸) فنانشل سٹیٹمنٹ کی E-mail کے ذریعے ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق جو کہ S.R.O 787(1)2014 بتاریخ 8 ستمبر 2016 کے ذریعے کمپنیز کو اجازت دی گئی کہ وہ Annual Balance Sheet اور منافع اور نقصان کے حسابات، آڈیٹرز، رپورٹس اور ڈرایکٹرز رپورٹ (Annual Financial Statements) بمعہ سالانہ اجلاس عام کے (نوٹس) ممبران کو E-mail کے ذریعے بھیج سکیں۔ جو ممبران اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ مطلوبہ معلومات وہ کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤنلوڈ کر سکتے ہیں۔

کمپنیز آرڈیننس 1984 کے سیکشن (B)(1)160 کے تحت اسٹیٹمنٹ جو خصوصی کاروبار سے متعلق ہے۔

یہ سٹیٹمنٹ 28 اکتوبر 2016 کو منعقد ہونے والے اجلاس عام میں انجام دیے جانے والے خصوصی کاروبار سے متعلق ٹھوس حقائق واضع کرتا ہے

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے S.R.O No. 470(1)2016 مورخہ 31 مئی 2016 کے تحت حصہ داران کو سالانہ آڈٹیڈ اکاؤنٹس کو تحریری صورت کی بجائے سافٹ فارم یعنی CD/DVD/USB کے ذریعے اطلاع فراہم کرنے کی اجازت دے دی ہے۔ تاہم ان حصہ داران کی سہولت کے لیے جنہوں نے تحریری صورت (کتابی شکل) میں سالانہ آڈٹیڈ اکاؤنٹس اپنے رجسٹرڈ پتہ پر وصول کرنا اختیار کیا ہو۔ معیاری درخواست فارم کمپنی کی ویب سائٹ پر اپ لوڈ کردیا جائے گا۔ کمپنی کے ڈرائیکٹر ان کا براہ راست یا بلاواسطہ مندرجہ بالا امور میں کوئی مفاد نہیں ہے۔ پیس (پاکستان) لمیٹڈ ("دی کمپنی") کے بورڈ کے ڈرائیکٹران نے مورخہ 28 ستمبر 2016 کو منعقدہ اجلاس میں کمپنی کی آرٹیکل آف ایسوسی ایشن میں ترمیم کی سفارش کی ہے تاکہ وقتاً فوقتاً ترمیم شدہ نظرثانی شدہ کردہ کمپنیز (E-Voting) قواعد کے تحت ممبران کے برقیاتی طریقوں سے ووٹ دینے کے حق کو Set Out کیا جاسکے۔ E-Voting کی صورت میں ممبران یا غیر ممبران بھی بطور پراکسی مقرر کیے جاسکتے ہیں۔ اس پر عمل درآمد کے لیے افسر کے تقرر اور E-Voting کی سہولت کے لیے ہدایت کو اجلاس عام کے منعقد ہونے سے کم از کم دس (10) دن پہلے کمپنی کے رجسٹرڈ دفتر کے پتہ پر یا بذریعہ E-mail وصول ہو جانا چاہیے۔ اگر کمپنی بذریعہ کسی ممبر یا ممبران جو کہ ووٹنگ پاور کم از کم دسواں حصہ (1/10) یا کم از کم پانچ (Five) ممبران کے انتخاب کے لیے ڈیمانڈ وصول کرتی ہے تو کمپنی E-Voting کا انتظام کرے گی۔

DIRECTORS' REPORT TO THE SHAREHOLDERS

General Economic Overview:

Pakistan's economy continued to maintain its growth momentum for the 3rd consecutive year with real GDP growing at 4.71 percent in FY 2016 which is the highest in eight years. The impact of major set-back in agriculture growth due to massive decline in cotton production was to a large extent, compensated by the remarkable growth in industrial and services sector as both these sectors crossed their targets growth, while other key macroeconomic indicators like inflation, fiscal and current account balance recorded improvement.

The average CPI inflation fell from 4.53 percent in FY 2015 to 2.79 percent during FY 2016. A stable outlook of inflation and balance of payments allowed policymakers to implement pro-growth strategies.

The per capita income in dollar terms increased from $ 1,516.8 in FY 2015 to $ 1,560.7 in FY 2016. The contributing factors for the increase in per capita income include acceleration in real GDP growth, lower growth in population and stability of Pak Rupee.

The outgoing fiscal year FY 2016 has seen more expansion in credit to private sector due to expansionary monetary policy stance by SBP. SBP cut its policy rate significantly to 5.75 percent in May, 2016 which is the lowest in 44 year. The flows of Credit to Private Sector (CPS) have seen expansion of 82.0 percent compared to the contraction of 41.5 percent during same period last year.

Fiscal year 2015-16 has witnessed a significant and an overall steady rise in the stock market indices where historic and unprecedented levels were crossed. As at close of FY-16, the benchmark PSX 100-index reached 37,783.54 points, the highest level in Pakistan stock market history.

Real Estate overview:

Government's infrastructure spending during the FY-16 led to buoyancy in construction activity, which recorded an impressive growth of 13.10 percent YoY basis. The construction related activities will gain further momentum on the back of increasing public sector development spending coupled with infrastructure and power sector development programme under CPEC.

Real estate sector being a promising and growing sector of Pakistan, accounts for 2% of country's GDP. Due to increasing rate of urbanization, coupled with the extremely high prices of residential properties, the property seekers in Pakistan are more inclined towards affordable apartments instead of expensive houses. Moreover, with the flourishing businesses in Pakistan on the back of favorable economic conditions, the demand for commercial spaces is also witnessing an upward trend, leading to the growing demand for commercial plazas and shopping malls.

Despite, these favorable economic conditions for the real estate sector during FY-16, the sector suffered from the introduction of potentially discouraging measures by government including re-scheduling of rates and timeframes of CGT, increase in DC valuation rates, transfer of valuation authority from Provinces to FBR and increase in rates of advance taxes etc. These measures resulted in a noticeable slump in the real estate sector in the last quarter of FY-16.

Company Performance and Financial Overview:

During the current financial year, the company has shown a healthier performance as compared to previous year, with an aggregate increase in sales by 25.9%. Company recorded the gross sales of Rs. 520.541 million, during FY-2016, as compared to Rs. 413.204 million last year, with a substantial increase of Rs. 107.3 million. Net profit after tax of the company for the current year amounted to Rs. Rs. 294 million as compared with the net loss after tax of Rs. 306.8 million last year.

Comparison of the audited results for the year ended June 30, 2016 as against June 30, 2015 is as follows:

	Year Ended June 30, 2016	**2015**
	'Rupees in thousand'	
Sales	**520,541**	413,204
Less: Sales Return	**(103,610)**	-
Net Sales	**416,931**	413,204
Cost of Sales	**(368,731)**	(407,893)
Gross profit/(loss)	**48,200**	5,311
Other income	**673,038**	32,349
Finance cost	**(169,256)**	(230,351)
Net profit / (loss) before tax	**354,259**	(302,748)
Net profit / (loss) after tax	**294,035**	(306,880)
Earning /(Loss) per share	**1.05**	(1.10)

The sales return during the FY-2016 was due to reversal of sales of commercial floor in Pace Tower project against which agreement have been cancelled as per mutual understanding of the buyer and the Company. The significant upward variance in other income of Rs. 640.6 million during the current year was mainly due to settlement of loans of banks against inventory of the Company at market rates. The differential of the transaction amounting to Rs. 273.90 million was treated as gain in other income. Finance cost relating to settled loans amounting to Rs. 325.36 million, was also waived during the period. Finance cost showed a significant decline of 26.5% as compared with previous year, primarily due to settlement of aforementioned outstanding loans of the company, during the FY-2016.

Status of Financial obligations:

The current portion of long term loans has decreased due to the fact that the Company has settled its Long Term liability through settlement agreements between Pace Pakistan Limited and the Banks (National Bank of Pakistan, Habib Bank Limited and Al-Baraka Bank). In this regard the Company has received consideration against its properties and settled its outstanding debt.
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. Moreover rescheduling/settlements of the debts and financial obligations are in process and management is hopeful to complete it on favorable terms in near future.

Company's ability to continue as a Going Concern:

At the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 2,433.232 million and the reserves of the Company have been significantly depleted. The Company has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its borrowings. As a consequence, the Company has also been unable to realize its existing receivables from customers and is facing difficulties in sale of its inventory, being encumbered against its borrowings. These conditions raise significant doubts on the Company's ability to continue as a going concern.

However Company has successfully completed the settlement transactions with its following lenders:

a) The National Bank and the Company entered into the Liabilities Settlement Agreement for full and final settlement of Bank's portion of Syndicate Term Finance Facility ('STFF') along with their accrued markup aggregating to Rs 398.711 million against property situated at Pace Towers.

b) The Habib Bank and the Company entered into Liabilities Settlement Agreement for settlement of Bank's portion of STFF along with the accrued markup aggregating to Rs 178.809 million against property situated at Pace Towers and Pace Model Town (extension). In accordance with the agreement, the Bank purchased the aforementioned properties form the Company for a consideration of Rs 106.895 million and waived accrued markup of Rs 71.914 million.

c) The Al-Baraka Bank and the Company entered into Liabilities Settlement Agreement for settlement of entire principal along with the accrued markup aggregating to Rs 398.562 million against property situated at Pace Towers. In accordance with the agreement, the Bank purchased the aforementioned properties from the Company for a consideration of Rs 242.291 million and waived accrued markup of Rs 156.271 million.

The Company has also approached other lenders for restructuring / settlement of loans. As per the proposals, the Company expects the relaxation in payment term of overdue principal and mark-up, as well as settlement of principal amounts against properties of the Company and waiver of overdue markup.

The management of the Company is confident that the above actions and steps shall enable the Company to realize its existing receivables, aid the sale of inventory from completed projects, and utilize the resultant liquidity for completion and sale of its Pace Towers project.

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 Pakistan fosters a risk aware corporate culture in all decision-making, and is committed to managing all risk 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 2016.

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 performs reviews of 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 Pakistan Limited 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 to 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.

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.

Changes in Board of Directors:

During the financial year Mr. Shahbaz Ali Taseer was appointed by the Board of Directors in place of Mr. Imran Hafeez.

Auditors:

The present auditors M/s A.F Ferguson & Co., Chartered Accountants retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the company for the year ending June 30, 2017, at a fee to be mutually agreed.

Human Resource Committee:

Keeping in view the requirements of the code of the corporate governance of Pakistan, applicable to the listed companies, the Board of Directors of the Company has formed an HR and Remuneration Committee. It comprises 3 members, two of whom are non-executive directors and the chairman of the committee is a non-executive director. The names of the members of the committee are mentioned below.

ShehryarAli Taseer (Chairman)
AamnaTaseer
Shahbaz AliTaseer

Board Meetings during the year

Four meetings of the Board of Directors were held during the year Attendance by each director is as under:

Directors	**Meetings Attended**
Aamna Taseer	4
Shehryar Ali Taseer	4
Shehrbano Taseer	4
Shahbaz Ali Taseer	-
Imran Hafeez (Resigned)	4
Muhammad Imran Chaudhry	-
Sulaiman Ahmed Saeed Al-Hoqani	-
Syed Abid Raza	1
Kanwar Latafat Ali Khan	3

The Directors who could not attend the meeting were duly granted leave by the Board.

Trading of Directors

Details of trading in shares of the Company during the financial year, by the Directors, CEO, CFO, Company Secretary and their spouses and any minor children is given in Annexure-1.

Audit Committee:

The Board has formed an Audit Committee. It comprises four non-executive directors and chairman of the committee Mr. Shehryar Ali Taseer is non-executive director.

The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code of Corporate Governance. Attendance of the members of the committee at the meetings is given below:

Audit Committee Member	**Meetings Attended**
Kanwar Latafat Ali Khan	5
Shehryar Ali Taseer	6
Shehrbano Taseer	6
Syed Abid Raza	1

To meet the criteria of independence under clause 5.19.1(b) of the Code Mr. Muhammad Imran Chaudhry an independent director is appointed in place of Mr. Kanwar Latafat Ali Khan and also Mr. Shehryar Ali Taseer is appointed as Chairman of the audit committee.

Integrity and compliance

Maintaining a strong and ethical culture is fundamental to the way we work at Pace Pakistan Limited. We are committed to conducting 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.

Pattern of Shareholding:

The pattern of shareholding on June 30, 2016 as required under section 236 of the Company's Ordinance 1984 and Listing regulations is attached.

Corporate and Financial Reporting Framework:

The Board of Directors of the company, for the purpose of establishing a framework of good corporate governance has fully adopted the Code of Corporate Governance, as per listing regulations of stock exchanges.

1. The financial statements together with the notes thereon present fairly the company's state of affairs, the result of its operations, cash flows and changes in equity.

2. Proper books of accounts have been maintained by the company and all transactions enetered into were for the purpose of business of the company.

3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure (if any) is adequately disclosed.

5. The key operating and financial data for the last six years is Annexed.

6. The Company is in compliance with the requirement of training programs for Directors

The Path Forward

Through the delivery of key development projects in 2017 in form of Pace Towers and significant investment and share in pace Circle, we look forward to onboarding significant operating cash flows by successfully converting non-income-producing assets to cash flowing operating assets.

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

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

Our unparalleled team has done an extraordinary job in a tough environment and we admire their untiring efforts,

For and on behalf of the Board of Directors

Lahore:
September 28, 2016

Aamna Taseer
Chief Executive Officer

ڈائریکٹرز رپورٹ (برائے اختتام پذیر سال جون 2016ء)

عمومی اقتصادی جائزہ

مسلسل تیسرے سال سے پاکستان کی معیشت 4.71 فی صد جی ڈی پی کے حساب سے FY 2016 میں تیزی سے ترقی کر رہی ہے جو کہ پچھلے آٹھ سال میں سب سے زیادہ ہے۔ انڈسٹریل اور خدمات کے شعبے میں خاطر خواہ اضافہ نے کپاس کی پیداوار میں بہت زیادہ کمی کی وجہ سے زرعی پیداوار میں کمی کی تلافی کی ہے۔ کیونکہ ان دونوں شعبہ جات نے اپنے ترقی کے اہداف کو پار کرلیا ہے۔ جب کہ دوسرے معاشی اشاروں جیسا کہ افراط زر، مالی اور کرنٹ اکاؤنٹ بیلنس میں ترقی محسوس کی گئی ہے۔

سی پی آئی میں افراط زر میں اوسط اضافہ FY-2015 میں 4.53 فی صد سے کم ہو کر FY-2016 میں 2.79 فیصد پر آ گیا ہے۔ قیمتوں میں اضافہ اور ادائیگیوں کے بیلنس پر مستقل جائزہ نے پالیسی بنانے والوں کو پیداوار کی مثبت حکمت عملی کو نافذ کرنے میں مدد دی ہے۔

ڈالرز میں فی کس آمدنی FY-2015 میں 1,516.8$ سے FY-2016 میں 1,560.7$ بڑھی ہے۔ فی کس آمدنی پر اثر انداز ہونے والے عوامل میں GDP نمو میں تیزی، آبادی میں کم سے کم اضافہ اور پاکستانی روپے کی قدر میں اضافہ شامل ہیں۔

SBP کی expansionary مانیٹری پالیسی کی وجہ سے گزشتہ مالی سال 2016ء میں نجی شعبے کو قرضوں میں مزید توسیع دیکھنے میں آئی۔ SBP نے مئی 2016 میں پالیسی ریٹ کی شرح نمایاں طور پر کم کر کے 5.75 فی صد مقرر کی، جو کہ پچھلے 44 سالوں میں سب سے کم ہے۔ نجی شعبے کو قرضے کی ادائیگی میں 82 فی صد کی توسیع دیکھنے میں آئی جو کہ پچھلے سال میں 41.5 فی صد تھی۔

مالی سال 16-2015 میں سٹاک مارکیٹ انڈیکس میں مسلسل اور متاثر کن اضافہ دیکھنے میں آیا جس نے تاریخی اور بے مثال سطح کو بھی پیچھے چھوڑ دیا۔ FY-2016 کے اختتام پر بنچ مارک PSX-100 انڈیکس 37,783.54 پوائنٹس کی سطح پر پہنچا جو پاکستان سٹاک مارکیٹ کی تاریخ میں بلند ترین سطح ہے۔

رئیل اسٹیٹ کا جائزہ

FY-16 کی مدت کے دوران گورنمنٹ کے بنیادی ڈھانچے کے اخراجات نے تعمیر کے متعلق سرگرمیوں کو بہت سراہا اور سال بہ سال کی بنیاد پر 13.10 فی صد کی متاثر کن نمو ریکارڈ کی گئی۔ تعمیر سے متعلق سرگرمیوں کی وجہ سے نجی شعبے کی ترقی میں کافی اچھال آیا۔ جو CPEC کے تحت بنیادی ڈھانچے اور پاور کے شعبے کی ترقی کی وجہ سے ہے۔

رئیل اسٹیٹ کا شعبہ پاکستان میں تیزی سے ترقی کرنے والا شعبہ ہے جو کہ پاکستان کی فی کس آمدنی کا 2 فی صد ہے۔ شہری آبادی کی بڑھتی ہوئی شرح اور رہائشی سکیموں کی انتہائی بڑھتی ہوئی قیمتوں کی وجہ سے پاکستان میں زمین حاصل کرنے والے قیمتی گھروں کی بجائے سستے اپارٹمنٹس کی طرف متوجہ ہیں۔ مزید برآں کہ سازگار اقتصادی حالات کی بنا پر پاکسان میں ابھرتے ہوئے کاروبار کی وجہ سے تجارتی جگہوں کی مانگ میں بھی اضافے کا رجحان دیکھنے میں آیا ہے۔ جس کے نتیجے میں کمرشل پلازوں اور شاپنگ مالز کی مانگ میں اضافہ ہوا ہے۔

FY-16 میں رئیل اسٹیٹ کے شعبے میں سازگار اقتصادی حالات کے باوجود گورنمنٹ کی جانب سے حوصلہ شکن اقدامات ہوئے ہیں جس میں ریٹس کی ری شیڈولنگ اور CGT کے ٹائم فریم، DC کے ریٹس کی تشخیص، authority کا صوبوں سے FBR کو منتقلی اور پیشگی ٹیکس کی شرح میں اضافہ شامل ہیں۔ ان اقدامات کی وجہ سے FY-16 کی آخری سہ ماہی میں رئیل اسٹیٹ کے شعبے نے بحران کا سامنا کیا ہے۔

کمپنی کی کارکردگی اور مالیاتی جائزہ

رواں مالی سال کے دوران، پچھلے سال کے مقابلے میں کمپنی نے فروخت میں 25.9 فی صد مجموعی اضافے کے ساتھ بہتر کارکردگی دکھائی ہے۔ پچھلے سال میں 413.204 ملین روپے کی مجموعی فروخت کے مقابلے میں کمپنی نے FY-2016 میں 520.541 ملین روپے کی مجموعی فروخت ریکارڈ کی ہے۔ پچھلے سال ٹیکس کے بعد 306.8 ملین روپے کُل نقصان کے

مقابلے میں موجودہ سال میں ٹیکس کے بعد کُل منافع 294 ملین روپے ہے۔

30 جون 2015 کو اختتام پذیر سال کے مقابلے میں 30 جون 2016 کو اختتام پذیر سال میں آڈٹ کے نتائج کا موازنہ مندرجہ ذیل ہے۔

مندرجات	30 جون کو اختتام پذیر سال ('000' میں روپے) 2016	2015
سیلز	520,541	413,204
کم: سیلز ریٹرن	(103,610)	-
خالص فروخت	416,931	413,204
فروخت کی قیمت	(368,731)	(407,893)
مجموعی نفع/ (نقصان)	48,200	5,311
دیگر آمدنی	673,038	32,349
ادائیگی سود	(169,256)	(230,351)
خالص نفع/ (نقصان) ٹیکس سے پہلے	354,259	(302,748)
خالص نفع/ (نقصان) ٹیکس کے بعد	294,035	(306,880)
آمدنی/ (نقصان) فی شیئر	1.05	(1.10)

FY-2016 کے دوران PACE ٹاور پروجیکٹ میں کمرشل منزل کی فروخت کی واپسی کی وجہ سے سیلز ریٹرن ہوئے جس کے نتیجے میں خریدار اور کمپنی کے مابین باہمی افہام وتفہیم کے معاہدہ کو منسوخ کر دیا گیا۔ موجودہ سال کے دوران دیگر آمدنی کی مد میں 640.6 ملین روپے کے متاثر کن اضافے کی وجہ مارکیٹ ریٹ پر کمپنی کی inventory کی مد میں بینک سے حاصل کردہ قرضوں کی settlement ہے۔ 273.90 ملین روپے کی ٹرانزیکشن کا فرق دیگر آمدنی میں اضافہ تصور کیا گیا ہے۔ اس مدت کے دوران جاری کردہ قرضوں کے مطابق 325.36 ملین روپے کی خزانہ لاگت کو معاف کر دیا گیا۔ پچھلے سال کے مقابلے FY-2016 میں مذکورہ بالا بقایا قرضہ جات کی settlement کی وجہ سے خزانہ لاگت میں 26.5 فی صد کی خاطر خواہ کمی دیکھنے میں آئی۔

مالی ذمہ داریوں کی حیثیت

Pace پاکستان لمیٹڈ اور بینکوں (نیشنل بینک آف پاکستان، حبیب بینک لمیٹڈ، اور البرا کہ بینک) کے مابین تصفیے کے معاہدوں کی بدولت طویل مدتی قرضوں کا موجودہ حصہ کافی کم ہوا ہے۔ اس سلسلے میں کمپنی نے اپنی املاک کی مد میں رقم حاصل کی ہے اور اپنے بقایا قرضوں کو ادا کیا ہے۔

کمپنی کے پاس محدود آمدنی ہونے کی وجہ سے قرضوں اور مارک اپ کی عدم ادائیگی کے نتیجے میں کمپنی کے قرضوں کی مد میں مالیاتی اداروں اور قرض دہندہ کو قابل ادائیگی باقی رقم ابھی over due حالت میں ہے۔ چونکہ pace ٹاور کی تعمیر اور فروخت پہلے سے جاری ہے پس ہم مستقبل میں اپنے وعدوں اور ذمہ داریوں کا پاس رکھیں گے۔ مزید یہ کہ مالیاتی ذمہ داریوں اور قرضوں کی ری شیڈولنگ اور settlement پر ابھی کام ہو رہا ہے۔ اور انتظامیہ مستقبل قریب میں سازگار شرائط پر اسے مکمل کرنے کی کوشش کرے گی۔

کاروبار کو جاری رکھنے کے لیے کمپنی کی صلاحیت

رپورٹنگ کی تاریخ میں، کمپنی کی موجودہ liabilities اس کے اثاثہ جات سے 2,433.232 ملین روپے تجاوز چکی ہے۔ جس کی وجہ سے کمپنی کے ذخائر میں نمایاں کمی آئی ہے۔ کمپنی اپنے قرض دہندگان کو مختلف ذمہ داریاں پوری کرنے کے قابل نہیں رہی جس میں پرنسپل اور مارک اپ کی ادائیگی شامل ہے۔ نتیجتاً کمپنی اپنے صارفین سے موجودہ وصولی کا احساس کرنے کے قابل نہیں رہی۔ اور اپنے قرضوں کی مد میں inventory کی فروخت میں مشکلات پیش آ رہی ہیں۔ یہ عوامل کمپنی کو جاری کردہ کاروبار چلانے میں شکوک وشبہات پیدا کر رہے

ہیں۔ان تمام عوامل کے باوجود کمپنی نے بنکوں کو واجب الادا درج ذیل قرضوں کی کامیابی سے settlement کر دی ہے۔

(a) نیشنل بینک اور کمپنی نے Liabilities Settlement معاہدہ کیا ہے۔ Pace ٹاور میں واقع املاک کی مد میں 398.711 ملین روپے کے مارک اپ کے ساتھ ساتھ بینک کے سینڈیکیٹ ٹرم فائنانس فیسیلیٹی ('STFF') کے حصے پر آخری معاہدہ کیا ہے۔

(b) حبیب بینک اور کمپنی نے Liabilities Settlement معاہدہ کیا ہے۔ Pace ٹاور اور Pace ماڈل ٹاؤن (extension) میں واقع املاک کی مد میں 178.809 ملین روپے کے مارک اپ کے ساتھ ساتھ بینک کے سینڈیکیٹ ٹرم فائنانس فیسیلیٹی ('STFF') کے حصے پر آخری معاہدہ کیا ہے۔ بینک نے کمپنی سے 106.859 ملین روپے سے باہمی افہام وتفہیم کے بعد مذکورہ بالا املاک خریدی ہیں۔جس کی وجہ سے مارک اپ میں 71.914 ملین روپے کی چھوٹ ملی ہے۔

(c) البراکہ بینک اور کمپنی نے Liabilities Settlement معاہدہ کیا ہے۔ Pace ٹاور میں واقع املاک کی مد میں 398.562 ملین روپے کے مارک اپ کے ساتھ ساتھ بینک کے سینڈیکیٹ ٹرم فائنانس فیسیلیٹی ('STFF') کے حصے پر آخری معاہدہ کیا ہے۔ معاہدے کے مطابق بینک نے کمپنی سے 242.291 ملین روپے سے باہمی افہام وتفہیم کے بعد مذکورہ بالا املاک خریدی ہیں۔جس کی وجہ سے مارک اپ میں 156.271 ملین روپے کی چھوٹ ملی ہے۔

کمپنی نے قرض کی تنظیم نو اور ادائیگی کے لیے دوسرے قرض دہندہ سے رابطہ کیا ہے۔ کمپنی کو امید ہے کہ اُسے overdue پرنسپل اور مارک اپ کی ادائیگی کی شرط میں چھوٹ ملے گی۔اور کمپنی کی املاک کی مد میں پرنسپل رقم کی ادائیگی ہوگی اور overdue مارک اپ میں چھوٹ بھی ملے گی۔

کمپنی کی انتظامیہ مطمئن ہے کہ مندرجہ بالا اقدامات کی وجہ سے کمپنی اپنے موجودہ وصولیوں کو حاصل کرنے میں کامیاب رہے گی اور مکمل منصوبوں سے inventory کی فروخت میں مدد ملے گی۔اور وصول کی گئی رقم Pace ٹاور پروجیکٹ کی فروخت اور تکمیل میں استعمال ہوگی۔

رسک مینجمنٹ

بورڈ اس بات سے آگاہ ہے کہ رسک کاروبار کا اہم حصہ ہوتا ہے۔جس میں خطرہ اور مواقع بھی پائے جاتے ہیں۔ Pace پاکستان اپنی فیصلہ سازی میں خطرے سے آگاہ کارپوریٹ کلچر کو پروان چڑھاتا ہے۔اور مجاز رسک مینجمنٹ کے ذریعے فعال اور مؤثر انداز میں تمام خطرات سے نپٹنے کے لیے پرعزم ہے۔اس عزم کی حمایت کے لیے تنظیم کی ہر سطح پر انتظامی فیصلوں کو مطلع کرنے کے لیے ہر خطرے کو جانچا جاتا ہے۔رسک مینجمنٹ سسٹم میں موجود حدود کی بنا پر کاروباری خطرات کو جانچنے ،حل کرنے اور مینیج کرنے کا عمل خطرہ ختم کرنے کی بجائے اُسے نپٹنے کے لیے بنایا گیا ہے۔خطرہ ختم کرنے کے لیے مادی غلط بیانی یا نقصان کے تحت کوئی مطلق یقین دہانی نہیں دی جارہی۔مختلف خطرات جیسے قدرتی آفات ،انٹرنل کنٹرول استعمال کرتے ہوئے قابل قبول ڈگری تک منظّم نہیں کیا جاسکتا۔اور ایک خاص حد تک مقامی انشورنس مارکیٹ میں یہ بڑے خطرات دوسری پارٹیوں کو منتقل کیے جاتے ہیں۔

اندرونی کنٹرولز

ڈائریکٹر اور انتظامیہ کمپنی کے انٹرنل کنٹرول کے نظام اور اور شیئر ہولڈرز کو ان کی سرمایہ کاری کے گوشوارے کے بارے میں مؤثر سالانہ جائزے جس کی مطابقت مؤثر تشخیص اور خطرات کے انتظام سے ہے کے لیے ذمہ دار ہیں۔اس میں مالیاتی ،آپریشنل اور تعمیل کے کنٹرول اور رسک مینجمنٹ طریقہ کار اور اس کا عمل شامل ہیں۔

اندرونی کنٹرول کی ضروریات کو پورا کرنے کے لیے بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک کے مطابق کمپنی کے اندرونی آڈٹ کی رپورٹ کا مسلسل جائزہ لیتی ہے۔ کمپنی کا انٹرل آڈٹ کا عمل سالمیت اور قابو کی سرگرمیوں کے اثر کا جائزہ لیتی ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے باخبر رکھتی ہے۔

تنوع سے ہماری وابستگی

ہم Pace پاکستان لمیٹڈ تنوع پر یقین رکھتے ہیں۔ہم جہاں بھی کام کرتے ہیں اور ہمارے کاروبار کے کسی بھی حصے میں، ہم انفرادی کلچر بنانے کی کوشش کرتے ہیں جس کو پہچانا جاتا ہے اور قدر کی جاتی ہے۔متنوع پس منظر سے تعلق رکھنے والے مرد وعورتوں کو اکٹھا کر کے ہر شخص کو اپنی صلاحیتیں، تجربہ اور نقطہ نظر منوانے کے لیے یکساں مواقع فراہم کیے جاتے ہیں۔ہمیں یقین ہے کہ ہم کسی بھی چیلنج کا بہترین حل نکالنے اور اپنے سٹیک ہولڈرز کو پائیدار منافع فراہم کرنے کے قابل ہیں۔

صحت اور حفاظتی اقدامات

ہم صفر نقصان کے مقصد کے حصول کے لیے پرعزم ہیں۔یہ ہمارے انتظامی سسٹم کی پشت پناہی سے ممکن ہے اور ہمارے کام کے تمام امور میں خطرات کی نشاندہی اور تشخیص کا طریقہ کار مہیا کرتی ہے۔محفوظ آپریشن ہماری عوام اور اثاثوں کی حفاظت ہماری پہلی ترجیح ہے۔اور خطرات سے نپٹنے کے لیے ہم منظم طریقے سے کام کرتے ہیں۔

حفاظتی خطرات کے لیے اور بہترین صحت کی مینیجمنٹ کے عمل کے لیے ہم بہترین قیادت کی شمولیت پر زور دیتے ہیں۔ ہم کام کی فٹنس اور خطرات سے بچنے کے لیے اپنی افرادی قوت کو بہتر کرنے کے لیے کوشاں ہیں۔

پیشہ ورانہ صحت اور حفاظت کمپنی کی اولین ترجیح ہے۔ہم کام کے محفوظ حالات، ساز وسامان اور کام سائٹس کو یقینی بنائیں گے۔کمپنی ملازمین کو پرخطر حالات کی نشاندہی، روک تھام اور ختم کرنے اور ملازمین کے زخمی ہونے کے خطرات میں ملوث کرنے اور احتساب کرنے کے لیے کوشاں ہیں۔

کام کے ماحول میں صحت اور حفاظت، مصنوعات کا معیار اور آپریٹنگ کارکردگی لازم وملزوم ہیں۔انتظامیہ، ملازمین اور یونین کے مابین قریبی تعاون کے ذریعے کمپنی صحت اور حفاظت میں مسلسل بہتری کی یقین دہانی کراتی ہے۔جو ادارے کی ترقی اور ملازمین کی صحت اور حفاظت میں اہم کردار ادا کریں گے۔

کمپنی پرعزم ہے کہ:

- ☆ تمام انتظامی امور میں ملازمین کی صحت اور حفاظت کو اولین ترجیح دے۔
- ☆ ملازمین کے کام میں ملوث ہونے، کام کی جگہ کے اصول اور حفاظتی اقدامات کو قائم اور نافذ کرے۔
- ☆ مسلسل بہتری کے عوامل میں ملازمین کی شمولیت کے ذریعے صحت اور حفاظت کا احتساب، قائدانہ صلاحیت اور آگاہی کو بہتر اور مضبوط کرے۔
- ☆ قائم شدہ معیار کے مطابق صحت اور حفاظتی اقدامات کو ماپے اور ملازمین کو اس کے نتائج سے آگاہ کرے۔

لوگوں اور انسانی وسائل کی ترقی

ہمارے لوگوں کی حکمت عملی کے ساتھ ساتھ ہمارے ملازمین کا عزم ایک فریم ورک بناتا ہے جو کہ ہمیں رہنمائی دیتا ہے کہ ہم کیسے باصلاحیت لوگوں کو متوجہ کر کے ان کی بہتری کے لیے کام کرتے ہیں۔جو کہ ہماری کاروباری حکمت عملی کی توثیق کرتی ہے۔ ہم اپنی روزگار کی پالیسی کے ذریعے گروپ کے ہمراہ ہر سطح پر محفوظ اور پر اثر کام کے تعلقات بنانے میں کوشاں ہیں۔

ہم روزگار کی ضروریات کے مطابق لوگوں کو نوکری دیتے ہیں اور عمر، نسلی اور ذاتی تضاد، جنس، جنسی رجحان، سیاست، مذہب اور معذوری کو بالائے طاق رکھ کر غیر امتیازی سلوک کے قوانین پر عمل کرتے ہیں۔

ہمارے ملازمین کی مہارت کے تنوع، خیالات اور تجربے سے ظاہر ہوتا ہے کہ ہم کمپنی کو درپیش چیلنجز سے جدت اور احساس کے ساتھ نپٹتے ہیں۔کمپنی کی انسانی وسائل کی بہتری بہت مضبوط اقدار پر محیط ہے۔ہماری پالیسیاں ملازمین کے مابین اعتماد، شفافیت اور خودداری کو پروان چڑھاتی ہیں تاکہ مسلسل ترقی میں حصہ ڈالیں۔

ہمارے ہاں ایک مکمل HR شعبہ ہے جس کی وجہ سے یہ سب ممکن ہوا ہے۔ ہم اپنے ملازمین کو انعاماتی پیکیج پیش کرتے ہیں۔ جس کے اصول ہر سطح پر مستقل ہیں۔ جس سے مقابلے کی فضا بنتی ہے۔ جو کہ متعین قوانین اور قواعد وضوابط کے عین مطابق اور مناسب طریقے سے متوازن ہیں۔

تصرف

کمپنی کی ضروریات اور مالی مشکلات کو مدنظر رکھتے ہوئے بورڈ نے زیر جائزہ سال کے لیے کوئی dividend متعارف نہیں کرایا ہے۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

مالی سال کے دوران بورڈ آف ڈائریکٹرز کی جانب سے جناب شہباز علی تاثیر کو جناب عمران حفیظ کی جگہ مقرر کیا گیا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی مدت ختم ہو چکی ہے اور دوبارہ تعیناتی کی درخواست کی ہے۔ بورڈ آف ڈائریکٹرز نے آڈیٹرز کے طور پر اختتام پذیر سال جون 30، 2017ء تک ان کی دوبارہ تعیناتی کی سفارش کی ہے۔ اور فیس پر دونوں کا باہمی اتفاق ہوگا۔

انسانی وسائل کی کمیٹی

کارپوریٹ گورننس پاکستان کے کوڈ کی ضروریات کو مدنظر رکھتے ہوئے، جو کہ درج کمپنیوں کے لیے ہے، کمپنی کے بورڈ آف ڈائریکٹرز نے HR اور معاوضے کی کمیٹی تشکیل دی ہے۔ یہ 3 ممبران پر مشتمل ہوگی جس میں سے دو کا تعلق غیر ایگزیکٹو ڈائریکٹرز اور کمیٹی کا چیئرمین جو کہ ایک غیر ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی کے ممبران کے نام مندرجہ ذیل ہیں۔

شہریار علی تاثیر (چیئرمین)
آمنہ تاثیر
شہر بانو تاثیر

سال کے دوران بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹرز کی حاضری مندرجہ ذیل ہے۔

ڈائریکٹرز کے نام	اجلاس میں حاضری
آمنہ تاثیر	4
شہریار علی تاثیر	4
شہر بانو تاثیر	4
شہباز علی تاثیر	-
عمران حفیظ (مستعفی)	4
محمد عمران چوہدری	-
سلیمان احمد سعید الحقانی	-
سید عابد رضا	1
کنور لطافت علی خان	3

جوڈائریکٹرز اجلاس میں شرکت نہ کر سکے انہیں بورڈ کی جانب سے رخصت عنایت کی گئی۔

ڈائریکٹرز کی ٹریڈنگ

ڈائریکٹرز، CEO، CFO، کمپنی کے سیکریٹری اوران کے خاوند/ بیوی اوران کے نابالغ بچوں کی ٹریڈنگ Annexure-I کے طور پر منسلک ہے۔

آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ یہ چار غیرا یگزیکٹوڈائریکٹرز پر مشتمل ہے اور کمیٹی کے چیئر مین جناب شہر یار علی تاثیر ایک غیرا یگزیکٹوڈائریکٹر ہیں۔ آڈٹ کمیٹی کے اجلاس کمپنی کے عبوری اور آخری نتائج کی منظوری کے بعد اور کارپوریٹ گورننس کے کوڈ کے مطابق ہر سہ ماہی میں کم از کم ایک مرتبہ منعقد کئے گئے

اجلاس کے دوران کمیٹی کے ممبران کی حاضری مندرجہ ذیل ہے۔

ممبران	اجلاس میں حاضری
کنورلطافت علی خان	5
شہر یارتاثیر	6
شہر بانوتاثیر	6
سید عابد رضا	1

شق نمبر(b)5.19.1 کے تحت آزادی کے معیار کو جانچا گیا۔ جناب کنور لطافت علی خان کی جگہ جناب محمد عمران چوہدری کو ایک آزاد ڈائریکٹر مقرر کیا گیا۔ اور جناب شہر یار علی تاثیر کو آڈٹ کمیٹی کا چیئر مین مقرر کیا گیا۔

سالمیت اور فرمانبرداری

Pace پاکستان لمیٹڈ کام کی بنیاد کو مضبوط اور اخلاقی کلچر کو برقرار رکھتا ہے۔ ہم اپنے کاروبار کو عزت کے ساتھ چلانے کے لیے پر عزم ہیں جو کہ ہماری بنیادی قدر ہے۔ اور یہ اقدار اور اچھا اخلاقی معیار ہماری حکمت عملی کو عملی جامہ پہنانے کے لیے اہم ہے۔

متواتر گوڈ گورننس اور تجارتی راز داری کے ساتھ، اصول اور عمل میں شفافیت کے لیے پرعزم ہیں۔ ہم بہت سے ذرائع سے گروپ کے آپریشنل، مالیاتی اور پائیدار ترقی کی کارکردگی کی اطلاع بروقت دیتے ہیں۔

اصولوں، قوانین اور ضوابط کی تعمیل

ملازمین کو تمام قوانین، اصولوں اور ضابطوں پر مکمل طور پر عمل کرنے کی ضرورت ہے جو کہ کمپنی کے کاروبار اور کاروباری معاملات پر لاگو ہیں۔ یہ کمپنی کی ذمہ داری ہے کہ وہ قومی اور وطن اور کمیونٹی کے مقامی قوانین جہاں پر کاروبار کیا جارہا ہے پر عمل کروائے۔ سخت قانونی امور کی موجودگی کے ساتھ ساتھ ملازمین سے ایمانداری کی توقع کی جاتی ہے اور اخلاق کے اعلیٰ معیار اور کاروباری معاملات کو برقرار رکھا جاتا ہے۔ جو کہ کمپنی کے پیشہ ورانہ عمل کی توثیق کرتا ہے۔

شیئر ہولڈنگ کے پیٹرن

لسٹنگ قوانین اور کمپنیز آرڈیننس 1984ء کے سیکشن 236 کے مطابق 30 جون 2016ء کو شیئر ہولڈنگ کا پیٹرن رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

بورڈ آف ڈائریکٹرز نے اچھی کارپوریٹ گورننس کے فریم ورک کو تیار کرنے کے لیے کارپوریٹ گورننس کے کوڈ کو سٹاک ایکسچینج کے قواعد کے مطابق اپنایا ہے۔

(i) نوٹس کے ساتھ مالیاتی سٹیٹمنٹ کمپنی کے معاملات کی حالت، اس کے آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیاں کو بخوبی پیش کرتی ہیں۔
(ii) کمپنی کی جانب سے مناسب books of accounts مرتب کی گئی ہیں۔ اور ان میں درج تمام لین دین کمپنی کے کاروبار کے مقصد کے لیے ہیں۔
(iii) مالیاتی سٹیٹمنٹ کو تیار کرنے کے لیے مناسب اکاؤنٹنگ پالیسیوں پر مستقل عمل ہو رہا ہے۔ اور اکاؤنٹنگ تخمینے مناسب اور محتاط نتائج کی بنیاد پر ہو گی۔
(iv) پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات مالیاتی سٹیٹمنٹ کی تیاری میں استعمال ہو رہے ہیں۔ ڈیپارچر (اگر کوئی ہے) مناسب طور پر منکشف کیا گیا ہے۔
(v) پچھلے چھ سال کے دوران اہم آپریٹنگ اور مالیاتی مواد ساتھ منسلک ہے۔
(vi) کمپنی ڈائریکٹرز کے ٹریننگ پروگرام کی ضروریات سے باخبر ہے۔

حاصل کلام

2017ء میں اہم ترقیاتی منصوبوں جیسا کہ Pace ٹاور پروجیکٹ کی تکمیل کے ساتھ اور Pace سرکل میں خاطر خواہ سرمایہ کاری اور اشتراک کے ساتھ، ہم متاثر کن کیش فلو دیکھ رہے ہیں۔ جو غیر آمدن پروڈیوسنگ اثاثوں کو کیش فلو آپریٹنگ اثاثوں میں تبدیل کر کے ممکن ہو گا۔

جب کہ ہم آنے والے سال کے لیے اپنے کیپیٹل کی ساخت کو بہتر بنانے کی طرف متوجہ ہیں۔ اور جب کوئی مخصوص منصوبہ کا موقع ملے گا تو اس پر ہم مستعد اور ٹھوس سرمایہ کاری کا فیصلہ کریں گے۔

بہترین اثاثہ جات اور گنجان آباد علاقوں میں املاک اور عظیم ٹیم کے ساتھ ہمیں امید ہے کہ ہمارے سرمایہ دار، پاکستان کے رئیل اسٹیٹ کے شعبہ میں ایک اچھی ساخت والی کمپنی، ترقی کے لیے بہترین پلیٹ فارم مہیا کرنے والی اور جدید کمپنی کے طور پر جانچ کر ہمارے بنیادی اصولوں پر کاربند رہیں گے۔

ہماری بے مثال ٹیم نے ایک مشکل ماحول میں غیر معمولی کام کیا ہے۔ اور ہم ان کی ان تھک کوششوں، جذبے اور کمپنی کے ساتھ عہد کی تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹر کے لیے/کی طرف سے

آمنہ تاثیر
چیف ایگزیکٹو آفیسر

28 ستمبر 2016ء

Annexure I

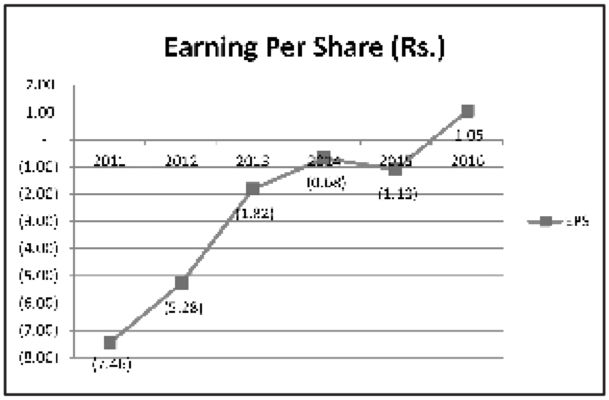
TRADING BY BOARD MEMBERS, COMPANY SECRETARY, CFO AND THEIR SPOUSE & MINOR CHILDREN

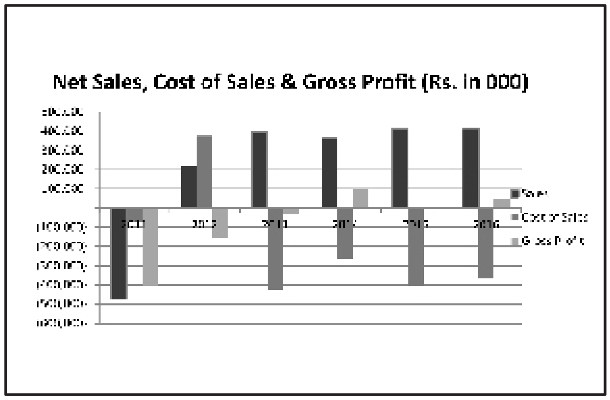
Directors	Opening balance as on 01-07-2015	Purchase	Bonus	Sale	Closing balance as on 30-06-2016
Aamna Taseer	587	-	-	-	587
Shehryar Ali Taseer	500	-	-	-	500
Shehrbano Taseer	500	-	-	-	500
Sulaiman Ahmed Saeed Al-Hoqani	21,219,048	-	-	5,575,000	15,644,048
Kanwar Latafat Ali Khan	587	-	-		587
Imran Hafeez (Resigned)	987	-	-	-	987
Syed Abid Raza	1,087	-	-	-	1,087
Shahbaz Ali Taseer		987	-	-	987
Mohammad Imran Chaudhry		500	-	-	500
Spouces	-		-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Usman Ali Tariq	-	-	-	-	-
Company Secretary					
Sajjad Ahmad	-	-	-	-	-

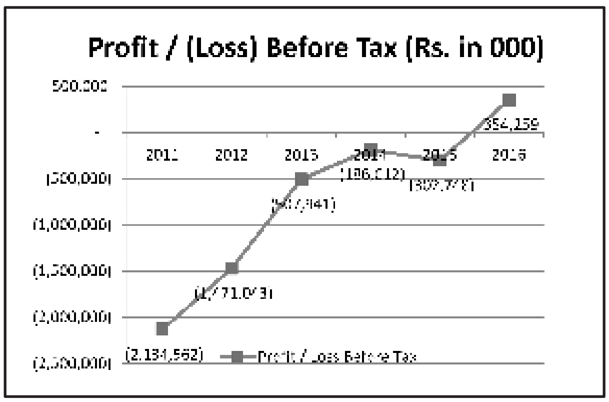
KEY OPERATING AND FINANCIAL INDICATORS

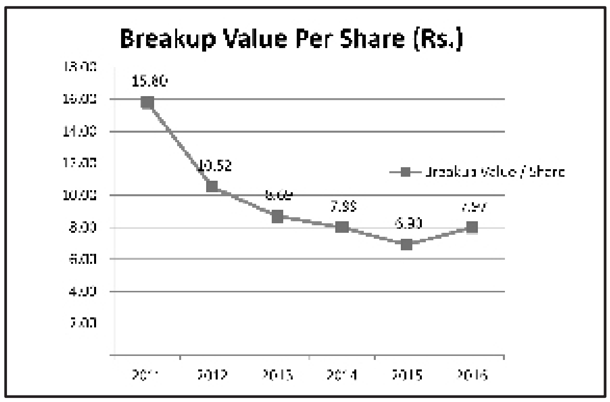
KEY INDICATORS							Rupees in thousands
		2011	**2012**	**2013**	**2014**	**2015**	**2016**
Operating result							
Net Sales		(476,405)	218,747	392,294	362,621	413,204	416,931
Cost of Sales		(74,393)	374,064	(422,713)	(268,725)	(407,893)	(368,731)
Gross profit/(loss)		(402,012)	(155,317)	(30,419)	93,896	5,311	48,200
Profit / (loss) from operation		(1,649,605)	(1,006,475)	(137,365)	88,156	(72,397)	523,515
Profit / (loss) before tax		(2,134,562)	(1,471,043)	(507,941)	(186,012)	(302,748)	354,259
Profit /(loss)after tax		(2,080,561)	(1,471,916)	(508,877)	(189,638)	(306,880)	294,035
Financial Position							
Shareholder's equity		4,405,483	2,932,538	2,425,276	2,230,643	1,925,276	2,222,358
Property,plant & Equipment		516,419	577,075	465,635	455,206	431,957	425,438
Net current assets		1,858,925	(1,639,203)	(2,292,835)	(2,569,572)	(2,791,693)	(2,433,232)
Profitability							
Gross profit /(loss)	%	(84.38)	(71.00)	(7.75)	25.89	1.29	11.56
Operating profit /(loss)	%	(346.26)	(460.11)	(35.02)	24.31	(17.52)	125.56
Profit /(loss) before tax	%	(448.06)	(672.49)	(129.48)	(51.30)	(73.27)	84.97
Profit /(loss) after tax	%	(436.72)	(672.89)	(129.72)	(52.30)	(74.27)	70.52
Performance							
Fixed assets turnover	Times	(0.92)	0.38	0.84	0.80	0.96	0.98
Return on equity	%	(38.20)	(40.12)	(18.96)	(8.15)	(14.77)	14.18
Return on capital employed	%	(24.24)	(28.02)	(19.22)	(8.27)	(14.52)	13.93
Liquidity							
Current Ratio	Times	2.74	0.64	0.55	0.51	0.52	0.52
Quick	Times	1.23	0.20	0.16	0.14	0.14	0.16
Valuation							
Earning per share	Rs	(7.46)	(5.28)	(1.82)	(0.68)	(1.10)	1.05
Break up vale per share	Rs	15.80	10.52	8.69	7.99	6.90	7.97

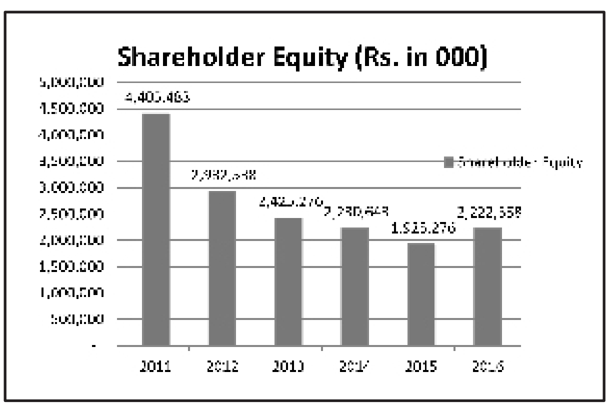
PERFORMANCE AT A GLANCE

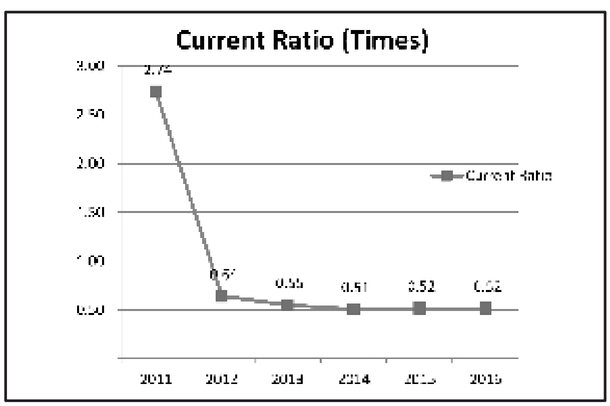












STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

PACE (PAKISTAN) LIMITED ("THE COMPANY")
FOR THE YEAR ENDED 30 JUNE 2016

This statement is being presented to comply with the Code of Corporate Governance (the "CCG") contained in Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1) The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Muhammad Imran Chaudhry
Executive Directors	Aamna Taseer Shahbaz Ali Taseer
Non-Executive Directors	Shehryar Ali Taseer Shehrbano Taseer Kanwar Latafat Ali Khan Syed Abid Raza Sulaiman Ahmed Saeed Al-Hoqani

The independent director meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2) The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4) Two casual vacancies occurring on August 19, 2015 and May 17, 2016 on the Board were filled up by the directors within 90 days.

5) 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.

6) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7) All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors, have been taken by the Board / shareholders.

8) 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9) The Board ensures arrangement of orientation courses for its directors to apprise them of their duties and responsibilities. Board had previously arranged Corporate Governance Leadership Skills (CGLS) training programs for its directors. Three directors have obtained certification of CGLS as required under the clause 5.19.7 of the CCG and are familiarized themselves on their responsibilities with the CCG.

10) The Board has approved the appointment of the CFO and Head of Internal Auditor including their remuneration and terms and conditions of employment and there were no new appointments of the Company Secretary during the year.

11) The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12) The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

13) The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14) The Company has complied with all the corporate and financial reporting requirements of the CCG.

15) The Board has formed an Audit Committee. It comprises four members who are non-executive directors.

16) The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17) The Board of the Company has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.

18) The Board has set up an effective internal audit function that is considered suitable qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19) 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21) The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.

22) Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23) The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer on a timely manner and maintained proper record including basis for inclusion or exclusion of names of person from the said list.

24) We confirm that all other material principles enshrined in the CCG have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

There is no independent director on audit committee as required under clause 5.19.16 of the CCG.

The head of internal audit department does not meet the qualification criteria as required under clause 5.19.9 of the CCG.

For and on behalf of the Board

Lahore
September 28, 2016

Aamna Taseer
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors of Pace (Pakistan) Limited ('the Company') for the year ended June 30, 2016 to comply with the Code contained in Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

We draw attention to note 24 of the statement of compliance, which indicates that there is no independent director on audit committee as required under clause 5.19.16 of the Code. Further the head of internal audit department does not meet the qualification criteria as required under clause 5.19.9 of the Code. Our report is not qualified in respect of these matters.

A.F. Ferguson & Co.
Chartered Accountants

Lahore: October 07, 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pace (Pakistan) Limited as at June 30, 2016 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes resulted on initial application of standards, amendments or an interpretation to existing standards, as stated in note 2.3.1 to the annexed financial statements with which we concur;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2016 and of the loss, changes in equity and its cash flows for the year then ended; and

(d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

(e) We draw attention to note 2.2 to the financial statements which indicates the Company could not meet its obligations in respect of principal and markup repayments on borrowings from lenders. The current liabilities of the Company have exceeded its current assets by Rs 2,433.232 million and the reserves of the Company have been significantly depleted. These factors, along with other matters as set forth in note 2.2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants

Lahore, October 07, 2016

Name of Engagement Partner: Asad Aleem Mirza

BALANCE SHEET
AS AT JUNE 30, 2016

	Note	June 30, 2016	June 30, 2015
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 600,000,000 (2015: 600,000,000) ordinary shares of Rs 10 each		**6,000,000**	6,000,000
Issued, subscribed and paid up capital 278,876,604 (2015: 278,876,604) ordinary shares of Rs 10 each	5	**2,788,766**	2,788,766
Reserves		**272,035**	272,258
Accumulated loss		**(838,443)**	(1,135,748)
		2,222,358	1,925,276
NON-CURRENT LIABILITIES			
Long term finances - secured	6	**-**	-
Redeemable capital - secured (non-participatory)	7	**-**	-
Liabilities against assets subject to finance lease	8	**-**	-
Foreign currency convertible bonds - unsecured	9	**-**	-
Deferred liabilities	10	**38,278**	35,595
		38,278	35,595
CURRENT LIABILITIES			
Advances against sale of property	11	**107,532**	231,933
Current portion of long term liabilities	12	**3,282,580**	3,807,176
Short term finance - secured	13	**96,443**	96,443
Creditors, accrued and other liabilities	14	**455,901**	291,120
Accrued finance cost	15	**1,099,911**	1,368,075
		5,042,367	5,794,747
CONTINGENCIES AND COMMITMENTS	16	**-**	-
		7,303,003	7,755,618

The annexed notes from 1 to 43 form an integral part of these financial statements.

Lahore
September 28, 2016

Aamna Taseer
Chief Executive

	Note	June 30, 2016	June 30, 2015
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	**453,363**	459,578
Intangible assets	18	**6,079**	6,609
Investment property	19	**3,369,702**	3,421,430
Long term investments	20	**851,105**	851,328
Long term advances and deposits	21	**13,619**	13,619
Deferred taxation	22	**-**	-
		4,693,868	4,752,564
CURRENT ASSETS			
Stock-in-trade	23	**1,802,137**	2,184,422
Trade debts - unsecured	24	**647,490**	676,181
Advances, deposits, prepayments and other receivables	25	**150,918**	85,740
Income tax recoverable		**7,961**	55,556
Cash and bank balances	26	**629**	1,155
		2,609,135	3,003,054
		7,303,003	7,755,618

Shehryar Ali Taseer
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

		Note	2016	2015
			(Rupees in thousand)	
Sales		27	**520,541**	413,204
Less: Sales return		27.1	**(103,610)**	-
			416,931	413,204
Cost of sales		28	**(368,731)**	(407,893)
Gross profit			**48,200**	5,311
Administrative and selling expenses		29	**(177,857)**	(137,520)
Other income		30	**673,038**	32,349
Other operating expenses		31	**(49,276)**	(49,537)
			494,105	(149,397)
Finance costs		32	**(169,256)**	(230,351)
Changes in fair value of investment property		19	**29,410**	77,000
Profit / (loss) before tax			**354,259**	(302,748)
Taxation		33	**(60,224)**	(4,132)
Profit / (loss) for the year			**294,035**	(306,880)
Other comprehensive income/ (loss)				
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit liability - net of tax			**3,270**	1,464
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of available for sale investments			**(223)**	49
Total comprehensive income / (loss) for the year			**297,082**	(305,367)
Earnings / (loss) per share attributable to ordinary shareholders				
- basic earnings / (loss) per share	Rupees	39.1	**1.05**	(1.10)
- diluted earnings / (loss) per share	Rupees	39.2	**0.89**	(1.10)

The annexed notes from 1 to 43 form an integral part of these financial statements.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

(Rupees in thousand)

	Share capital	Share premium reserve	Reserve for changes in fair value of investments	Accumulated loss	Total
Balance as on June 30, 2014	2,788,766	273,265	(1,056)	(830,332)	2,230,643
Total comprehensive loss for the year					
Loss for the year	-	-	-	(306,880)	(306,880)
Other comprehensive income / (loss) for the year:					
Remeasurement of net defined benefit liability net of tax	-	-	-	1,464	1,464
Changes in fair value of available for sale investments	-	-	49	-	49
	-	-	49	(305,416)	(305,367)
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-
Balance as on June 30, 2015	**2,788,766**	**273,265**	**(1,007)**	**(1,135,748)**	**1,925,276**
Total comprehensive income for the year					
Profit for the year	-	-	-	294,035	294,035
Other comprehensive income / (loss) for the year:					
Remeasurement of net defined benefit liability net of tax	-	-	-	3,270	3,270
Changes in fair value of available for sale investments	-	-	(223)	-	(223)
	-	-	(223)	297,305	297,082
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-
Balance as on June 30, 2016	**2,788,766**	**273,265**	**(1,230)**	**(838,443)**	**2,222,358**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Lahore
September 28, 2016

Aamna Taseer
Chief Executive

Shehryar Ali Taseer
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees in thousand)	
Cash flow from operating activities			
Cash (used in) / generated from operations	35	**(15,731)**	9,622
Finance costs paid		**-**	(2,762)
Gratuity and leave encashment paid		**(1,050)**	(798)
Taxes paid		**(12,629)**	(11,803)
Net cash used in operating activities		**(29,410)**	(5,741)
Cash flow from investing activities			
Purchase of property, plant and equipment		**(17,208)**	(11,535)
Proceeds from sale of property, plant and equipment		**6,406**	2,595
Proceeds from sale of investment property		**42,061**	16,873
Markup received		**493**	259
Net cash generated from investing activities		**31,752**	8,192
Cash flow from financing activities			
Repayment of finance lease liabilities		**(2,868)**	(2,918)
Net decrease in cash and cash equivalents		**(526)**	(467)
Cash and cash equivalents at the beginning of the year		**(95,288)**	(94,821)
Cash and cash equivalents at the end of the year	36	**(95,814)**	(95,288)

The annexed notes from 1 to 43 form an integral part of these financial statements.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1. Legal status and activities

Pace (Pakistan) Limited ('the Company') is a public limited Company incorporated in Pakistan and listed on Pakistan stock exchange. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan. The address of the registered office of the Company is 2nd Floor Pace Mall, Fortress Stadium, Lahore.

2. Statement of Compliance

2.1 These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Going concern assumption

As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 2,433.232 million and the reserves of the Company have been significantly depleted. The Company has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its borrowings. As a consequence, the Company has also been unable to realise its existing receivables from customers and is facing difficulties in sale of its inventory, being encumbered against its borrowings. These conditions raise significant doubts on the Company’s ability to continue as a going concern.

The management of the Company however, is continuously engaged with its lenders for settlements of its borrowings. During the current year National Bank of Pakistan, Habib Bank Limited and Al-Baraka Bank (Pakistan) Limited have settled their outstanding amounts against property situated at Pace Towers and Pace Model Town (Extension) as mentioned in notes 6.1, 6.2 and 6.3 respectively. Similarly Pair Investment Company Limited has offered, which the Company has accepted, to settle Rs 138.750 million inclusive of markup of Rs 42.307 million against properties at mezzanine floor and basement of Pace Tower measuring 6,000 sft and restructuring of Rs 15.950 million on conditions mentioned in note 13.

The Company has also approached other lenders referred to in note 6 and 7 of these financial statements for restructuring/settlements of loans. As per the proposals the Company expects the following:

- Relaxation in payment terms of principal outstanding and over due markup;
- Settlement of principal amounts against properties of the Company; and
- Waiver of overdue markup;

The management of the Company is confident that the above actions and steps shall enable the Company to realise its existing receivables, aid the sale of inventory from the completed projects referred above and utilise the resultant liquidity for completion and sale of its 'Pace Towers' Project.

The financial statements have been prepared on a going concern basis based on the management's expectations that:

- the Company will be able to obtain relaxations from its lenders as highlighted above;

- the Company will be able to settle loans against its properties; and

- the Company will be able to readily realise its receivables and inventory and be able to utilise the resultant liquidity for completion and sale of the 'Pace Towers' Project.

The financial statements consequently, do not include any adjustment relating to the realisation of its assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern.

2.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year and are applicable to the Company

- IFRS 10 - 'Consolidated financial statements' is applicable on accounting periods beginning on or after January 01, 2015. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The application of this standard has no material impact on the Company's financial statements.

- IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 01, 2015. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this standard has no material impact on the Company's financial statements.

- IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this standard has no material impact on the Company's financial statements.

- IFRS 13, 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The application of this standard has no material impact on the Company's financial statements except for certain additional fair value disclosures in note 38.

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Standards, amendments or interpretation	Effective date (accounting periods beginning on or after)
Annual improvements 2014	January 01, 2016
IAS 1 - Presentation of financial statements on disclosure initiative	January 01, 2016
IAS 16 - Property, plant and equipment in relation to use of revenue based methods to calculate the depreciation	January 01, 2016
IAS 27 - Separate financial statements on the equity method	January 01, 2016
IAS 28 - Investments in associates and joint ventures	January 01, 2016
IAS 38 - Intangible assets in relation to use of revenue based methods to calculate the depreciation	January 01, 2016
IAS 41 - Agriculture	January 01, 2016
IFRS 9 - Financial instruments	January 01, 2018
IFRS 10 - Consolidated financial statements	January 01, 2016
IFRS 11 - Joint arrangements on acquisition of an interest in a joint operation	January 01, 2016
IFRS 14 - Regulatory deferral accounts	January 01, 2016
IFRS 15 - Revenue from contracts with customers	January 01, 2017
IFRS 16 - Leases	January 01, 2019

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention except for revaluation of investment property, certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

The Company's significant accounting policies are stated in note 4. Not all of these significant accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers critical because of the complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Staff retirement benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.5.

b) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

c) Useful life and residual values of property, plant and equipment

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.

d) Stock-in-trade

Stock-in-trade is carried at the lower of cost and net realisable value. The net realisable value is assessed by the Company having regard to the budgeted cost of completion, estimated selling price and knowledge of recent comparable transactions.

e) Investment property valuation

The Company normally uses the valuation performed by independent valuers as the fair value of its investment properties. The valuers make reference to market evidence of transaction prices for similar properties.

f) Transfer of equitable interest in stock-in-trade

The Company has entered into a number of contracts with buyers for the sale of condominiums, shops/counters and villas. Management has determined that equitable interest in such assets and therefore risks and rewards of the ownership are transferred to the buyer once he is committed to complete the payment for the purchase. This commitment is evidenced by a signed contract for the purchase of the property and payments of sufficient progress payments. Based on this, the Company recognises revenues and profits as the acts to complete the property are performed.

g) Costs to complete the projects

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. 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.

h) Provision for doubtful receivables

Provision against overdue receivable balances is recognised after considering the receipt pattern and the future outlook of the concerned receivable party. It is reviewed by the management on a regular basis.

4. Significant accounting policies

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

4.1 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in profit and loss account 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 prevailing tax rates or tax rates expected to apply to profit for the year if enacted 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 accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account, except in the case of items charged or credited to equity in which case it is included in the statement of changes in equity.

4.2 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery signifies historical cost and borrowing costs as referred to in note 4.12.

Property, plant and equipment acquired under finance lease are capitalised at the commencement of the lease term at lower of the present value of the minimum lease payments under the lease arrangements and the fair value of the leased property.

Depreciation on owned assets is charged to profit on the reducing balance method except for building on lease hold 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 17.1.

Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method except for plant and machinery which is being depreciated using the straight line method at the annual rates given in note 17.2.

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

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 for the month in which the asset is disposed of.

The Company assesses at each balance sheet 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 income currently. 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.

Subsequent costs are included in the asset's carrying amount or recognised 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. All other repair and maintenance costs are charged to profit and loss account 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.

4.3 Intangible assets

Expenditure incurred to acquire computer software and right to use optical fiber (dark fiber) are capitalised as intangible assets and stated at cost less accumulated amortisation and any identified impairment loss.

Amortisation is charged to income on the reducing balance method, except for dark fiber which is being amortised using the straight line method, so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged from the month in which an asset is acquired or capitalised while no amortisation is charged for the month in which the asset is disposed of. Amortisation is being charged at the annual rate of 10% except for dark fiber which is being amortised at the annual rate of 5%.

The Company assesses at each balance sheet 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 income currently. 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.

4.4 Leases

The Company is the lessee:

Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognised at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

When a sale and leaseback transaction results in a finance lease, any gain on the sale is deferred and recognised as income over the lease term. Any loss on the sale is immediately recognised as an impairment when the sale occurs.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight-line basis over the lease term.

4.5 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

(a) The Company operates an unfunded gratuity scheme for all employees according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for gratuity scheme was carried out as at June 30, 2016. Projected Unit Credit Method, using the following significant assumptions for valuation of the scheme:

- Discount rate 7.25 percent per annum (2015: 9.75 percent per annum)

- Expected rate of increase in salary level 6.25 percent per annum (2015: 8.75 percent per annum)

- Expected mortality rate as per SLIC (2001-2005) mortality table with one year setback

- Average duration of defined benefit obligation 6 years (2015: 6 years)

The Company's policy with regard to experience gains and losses is to recognize as they occur in other comprehensive income approach under IAS 19 'Employee Benefits'.

(b) The Company provides for accumulating compensated absences when the employees render service that increase their 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 income.

The latest actuarial valuation was carried out as at June 30, 2016. Projected Unit Credit Method, using the following significant assumptions is used for valuation of accumulating compensated absences:

- Discount rate	7.25% (2015: 9.75%)
- Expected increase in salary	6.25% (2015: 8.75%)
- Expected mortality rate	As per SLIC (2001-2005) mortality table with one year setback
- Expected withdrawal and early retirement rate	Based on experience and age
- Average number of leaves accumulated per annum by employees	5 days (2015: 10 days)

- Average number of leaves utilized per annum by employees 15 days (2015: 10 days)

The Company's revised policy with regard to experience gains and losses is to recognize as they occur in other comprehensive income approach under IAS 19 'Employee Benefits'.

Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

4.6 Investment property

Property held to earn rentals or for capital appreciation or for both is classified as investment property. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at fair value.

The investment property of the Company has been valued by independent professionally qualified valuers as at June 30, 2016. The fair value of the investment property is based on active market prices.

If an item of property, plant and equipment becomes an investment property because its use has 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 the profit and loss account. 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 profit and loss account.

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.

4.7 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments in equity instruments of subsidiaries and associates

Investments in equity instruments of subsidiaries and associates where the Company has control or significant influence are measured at cost in the Company's financial statements.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27 "Consolidated and Separate Financial Statements". Investments in associates, in the consolidated financial statements, are being accounted for using the equity method.

4.8 Financial instruments

4.8.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are reclassified from equity to profit and loss account as reclassification adjustment. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company’s right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.13.

4.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

4.8.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.9 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.

4.10 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company’s functional and presentation currency.

b) Transactions and balances

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 profit and loss account.

4.11 Revenue recognition

Licensee fee is charged on the basis of area leased out or respective gross turnover achieved by the principals who operate from Pace premises under agreements.

Service charges are recognised in the accounting period when in which services are rendered. When the Company is acting as agent, the commission rather than gross income is recorded as revenue.

Revenue from sale of land, condominiums, shops/counters and villas is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The significant risks and rewards of ownership are transferred to the buyer when following conditions are met:

- the buyer's investment, to the date of the financial statements, is adequate to demonstrate a commitment to pay for the property;

- construction is beyond a preliminary stage;

- the buyer is committed. Buyer is unable to require a refund except, for non delivery of the unit. Management believes that the likelihood of the Company being unable to fulfill its contractual obligations for this reason is remote; and

- the buyer has the right to dispose off the property.

Revenue from sales agreements where the control and the significant risks and rewards of ownership of the work in progress are transferred by the Company to the buyer in its current state as construction progresses is measured using the percentage of completion method. The stage of completion is measured by reference to the costs incurred up to the balance sheet date as a percentage of total estimated costs for each project.

Revenue from sales agreements where significant risks and rewards are not passed on to the buyer as construction progresses are recognised when possession is handed over to the buyer and the Company does not expect any further future economic benefits from such property.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs capitalised are net of any investment income on the temporary investment of borrowed funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.13 Trade debts

Trade debts and other receivables are recognised initially at invoice value, which approximates fair value, and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. Trade debts where the ownership of the work in progress is transferred by the Company to the buyer as the construction progresses is recognised using the percentage of completion method. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognised in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.14 Creditors, accruals and provisions

Creditors, accrued and other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. 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 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 balance sheet date and adjusted to reflect the current best estimate.

4.15 Non-current assets held for disposal

Non-current assets held for disposal are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell, with the exception of investment properties carried at fair value, if their carrying value is expected to be recovered principally through a sale transaction rather than continuing use.

4.16 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Finance cost is accounted for on an accrual basis and is included in creditors, accrued and other liabilities to the extent of the amount remaining unpaid.

4.17 Foreign currency convertible bonds

Foreign currency convertible bonds, containing an embedded derivative, are carried at fair value through profit or loss unless fair value cannot be reliably measured in which case they are measured at cost. Transaction costs and gain and loss arising due to foreign currency translations is charged to profit and loss account. The interest expense recognised in the income statement is calculated using the effective interest rate method.

4.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, 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. In the balance sheet, short term finance is included in current liabilities.

5. Issued, subscribed and paid up capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
201,704,516	201,704,516	Ordinary shares of Rs 10 each fully paid in cash	**2,017,045**	2,017,045
77,172,088	77,172,088	Ordinary shares of Rs 10 each issued as fully paid bonus shares	**771,721**	771,721
278,876,604	278,876,604		**2,788,766**	2,788,766

5.1 Ordinary shares of the company held by associated undertakings are as follows:

	2016	2015
	(Number of shares)	
First Capital Securities Corporation Limited	**7,504,915**	7,504,915
Al-Hoqani Securities & Investment Corporation (Private) Limited	**70,000**	-
	7,574,915	7,504,915

6. Long term finances - secured

	Note	2016	2015
		(Rupees in thousand)	
Syndicate term finance facility	6.1	**-**	305,412
National Bank of Pakistan - term finance	6.2	**-**	39,780
Al Baraka Bank (Pakistan) Limited - musharika based agreement	6.3	**-**	242,292
Soneri Bank - demand finance	6.4	**27,422**	27,422
		27,422	614,906
Less: Current portion shown under current liabilities	12	**(27,422)**	(614,906)
		-	-

6.1 Syndicate term finance facility

The company has settled their principal and accrued mark up with properties at Pace Towers on following key terms:

National Bank of Pakistan

On December 04, 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 as referred in note 6.2 along with their accrued markup aggregating to Rs 398.711 million against property situated at upper ground floor, mezzanine floor and basement of Pace Towers measuring 18,525 square feet. According to clause F of the SA, NBP purchased the aforementioned properties of Rs 332.113 million and waived accrued markup of Rs 66.598 million. Pursuant to the SA, on December 30, 2015 the Company and NBP executed sale deed, wherein the area was enhanced to 20,800 square feet against relaxation of certain condition under SA and possession of the property was handed over to NBP. The Company and NBP also agreed that NBP will continue to hold its charge on Pace Towers except for the podium level and later it will take over charge being vacated by PAIR Investment Company Limited as a result of settlements.

Habib Bank Limited

On December 16, 2015 Habib Bank Limited ('HBL') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('DSA') for settlement of HBL's portion of STFF along with the accrued markup aggregating to Rs 178.809 million against property situated at ground floor of Pace Towers and third floor of Pace Model Town (extension) measuring 4,238 square feet and 431 square feet respectively. In accordance with the DSA, HBL purchased the aforementioned properties form the Company for a consideration of Rs 106.895 million and waived accrued markup of Rs 71.914 million. Pursuant to the DSA, on December 30, 2015, the Company and HBL executed sale deed and possession of the properties was handed over to HBL. The Company and HBL also agreed that HBL will continue to hold its charge over 21 floors i.e. from 1st to 21st floors in Pace Towers uptil the finishing work on aforementioned property in Pace Towers is complete.

6.2 National Bank of Pakistan - term finance

During the year NBP and the Company settled the entire principal and accrued markup together with its portion of STFF against property situated at Pace Towers as referred to in Note 6.1.

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

On December 28, 2015 Al Baraka Bank (Pakistan) Limited ('ABBPL') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('DSAA') for settlement of entire principal along with the accrued markup aggregating to Rs 398.562 million against property situated at first floor of Pace Towers measuring 17,950 square feet. In accordance with the DSAA, ABBPL purchased the aforementioned properties form the Company for a consideration of Rs 242.291 million and waived accrued markup of Rs 156.271 million. Pursuant to the DSAA, on December 30, 2015, the Company and ABBPL executed sale deed and possession of the property was handed over to ABBPL. The Company and ABBPL also agreed that ABBPL will continue to hold its charge over Pace Towers uptill completion certificate has been procured from Lahore Development Authority.

As a result of settlements as referred to in note 6.1, 6.2 and 6.3, the Company recognized net gain of Rs 599.225 million as referred to in note 30 in accordance with guidance contained in IAS 39 "Recognition and measurement".

6.4 Soneri Bank - demand finance

Terms of repayment

This loan is part of total demand finance facility limit of Rs 44.688 Million (2015: Rs 44.688 Million) and carries markup @ 6 months KIBOR + 3% (2015: 6 months KIBOR + 3%). The loan was originally repayable in 8 equal quarterly installments ending on June 30, 2012.

Security

This facility is secured against a charge created on the land and building on Plot no. 41, Gulberg III, Industrial Area Lahore.

The Holding Company is currently negotiating with the bank to settle the loan and markup through debt to asset swap. The proposal is in early stage and formal plan of the properties for settlement is to be decided by both the Company and the bank.

	Note	2016	2015
		(Rupees in thousand)	
7. Redeemable capital - secured (non-participatory)			
Term finance certificates		**1,498,200**	1,498,200
Less: Current portion shown under current liabilities	12	**(1,498,200)**	(1,498,200)
		-	-

Terms of repayment

This represents term finance certificates (TFC's) listed on Pakistan Stock Exchange issued for a period of 5 years. On September 27, 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' 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 August 15, 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (2015: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company is in negotiation with the trustee for relaxation in payment terms and certain other covenants.

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.

	Note	2016	2015
		(Rupees in thousand)	
8. Liabilities against assets subject to finance lease			
Present value of minimum lease payments		**20,746**	23,614
Less: Current portion shown under current liabilities	12	**(20,746)**	(23,614)
		-	-

The minimum lease payments have been discounted at an implicit interest rate ranging from 9% to 15% (2015: 9% to 15%) to arrive at their present value. The lessee has the option to purchase the assets after the expiry of the lease term. Taxes, repairs and insurance costs are to be borne by the lessee. The liability is partly secured by a deposit of Rs 11.500 million (2015: Rs 11.500 million).

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Minimum lease payments	Future finance charge	Present value of lease liability (Rupees in thousand) 2016	2015
Not later than one year	23,056	2,310	20,746	23,614
Later than one year and not later than five years	-	-	-	-
	23,056	2,310	20,746	23,614

	Note	2016	2015
		(Rupees in thousand)	

9. Foreign currency convertible bonds - unsecured

	Note	2016	2015
Opening balance		**1,670,456**	1,606,458
Markup accrued during the year		**16,480**	16,007
		1,686,936	1,622,465
Exchange loss for the year		**49,276**	47,991
		1,736,212	1,670,456
Less: Current portion shown under current liabilities	12	**(1,736,212)**	(1,670,456)
		-	-

The Company issued 25,000 convertible bonds of USD 1,000 each on January 5, 2008 amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on December 28, 2012 at the accreted principal amount. The bonds carry a markup of 5.5% per annum, compounded semi-annually, accretive (up till December 28, 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds have an option to convert the bonds into equity shares of the Company at any time following the issue date at a price calculated as per terms of arrangement. In aggregate USD 13 million bond have been converted into ordinary shares as at June 30, 2016.

As the fair value calculated for the embedded foreign exchange equity derivate and the financial instrument is quite subjective and cannot be measured reliably, consequently the bond has been carried at cost and includes accreted markup.

	Note	2016	2015
		(Rupees in thousand)	

10. Deferred liabilities

	Note	2016	2015
Staff gratuity	10.1	**35,376**	32,958
Leave encashment	10.2	**2,902**	2,637
		38,278	35,595

10.1 Staff gratuity

	Note	2016	2015
Opening balance		**32,958**	32,041
Charge to profit and loss account	10.1.1	**10,122**	10,915
Benefits due during the year		**(4,487)**	(7,895)
Remeasurement chargeable in 0ther comprehensive income		**(3,217)**	(2,103)
Liability as at June 30, 2016		**35,376**	32,958

The movement in the present value of defined benefit obligation is as follows:

	2016	2015
Opening balance	**32,958**	32,041
Service cost	**7,127**	7,193
Interest cost	**2,995**	3,722
Benefits due during the year	**(4,487)**	(7,895)
Remeasurement chargeable in 0ther comprehensive income	**(3,217)**	(2,103)
Present value of defined benefit obligation as at June 30, 2016	**35,376**	32,958

The amounts recognised in the profit and loss account are as follows:

	2016	2015
Service cost	**7,127**	7,193
Interest cost	**2,995**	3,722
Charge to profit and loss account	**10,122**	10,915

	2016	2015
	(Rupees in thousand)	
10.1.1 Charge for the year has been allocated as follows:		
Cost of sales	**1,316**	1,400
Administrative, general and other expenses	**8,806**	9,515
	10,122	10,915

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund is as follows:

	2016	2015	2014	2013	2012
	(Rupees in thousand)				
Present value of defined benefit obligation	**35,376**	32,958	32,041	23,183	28,523
Fair value of plan assets	**-**	-	-	-	-
Deficit	**(35,376)**	(32,958)	(32,041)	(23,183)	(28,523)
Experience adjustment on obligation	**9%**	6%	-15%	-20%	-2%

	2016	2015
	(Rupees in thousand)	
10.2 Leave encashment		
The amounts recognised in the balance sheet are as follows:		
Opening balance	**2,637**	2,613
Charge to profit and loss account	**318**	512
Benefits due during the year	**-**	(1,127)
Remeasurement chargeable in 0ther comprehensive income	**(53)**	639
Liability as at June 30	**2,902**	2,637

	2016 (Rupees in thousand)	
Year end sensitivity on defined benefit obligation:	**Gratuity**	**Leave encashment**
Discount rate + 100 bps	**33,353**	2,749
Discount rate - 100 bps	**37,679**	3,074
Salary increase + 100 bps	**37,777**	3,064
Salary increase - 100 bps	**33,225**	2,756

11. Advances against sale of property

This principally represents advances received from various parties against sale of apartments and houses in Pace Towers project, Lahore and its breakup at June 30, 2016 is as follows:

	Note	2016	2015
		(Rupees in thousand)	
SilkBank Limited	11.1	**-**	108,440
First Capital Investment Limited - related party		**16,783**	15,250
First Capital Securities Corporation Limited - related party		**34,739**	43,675
Others		**56,010**	64,568
		107,532	231,933

11.1 A Tri Party Agreement (the 'Agreement') was signed during the year by the Company, Pace Barka Properties Limited ('PBPL'), and SilkBank Limited ('SBL') whereby the SBL purchased property on lower ground floor at Pace Towers from the Company at an agreed price of Rs 108.440 million and adjusted the proceeds with its outstanding principal and markup from PBPL on a condition that Company will complete the finishing work of the aforementioned property within one year from the Agreement's date. SBL has taken over the possession of the property on date of the Agreement. The Company recognized the revenue in the current year post compliance with the condition laid down in the agreement including the completion of finishing works.

12. Current portion of long term liabilities

	Note	2016	2015
		(Rupees in thousand)	
Current portion of long term finances - secured	6	**27,422**	614,906
Current portion of redeemable capital - secured (non-participatory)	7	**1,498,200**	1,498,200
Current portion of liabilities against assets subject to finance lease	8	**20,746**	23,614
Current portion of foreign currency convertible bonds - unsecured	9	**1,736,212**	1,670,456
		3,282,580	3,807,176

12.1 Overdue principal included in current maturity as at June 30, 2016 are as follows:

	Note	2016	2015
		(Rupees in thousand)	
Long term finances - secured:			
- Syndicate term finance facility		**-**	305,413
- National Bank of Pakistan- term finance		**-**	39,780
- Soneri Bank - demand finance		**27,422**	27,422
- Al Baraka Bank (Pakistan) Limited - musharika based agreement		**-**	242,291
Redeemable capital - secured (non-participatory)		**1,198,660**	899,160
Foreign currency convertible bonds - unsecured		**1,736,212**	1,670,456
Liabilities against assets subject to finance lease		**9,246**	12,114
		2,971,540	3,196,636

13. Short term finance - Secured

This represents short term finance of Rs 96.443 million (2015: Rs 96.443 million) provided by PAIR Investment Company Limited (formerly Pak-Iran Joint Investment Company Limited) and carries markup @ 1 month KIBOR + 3.5% (2015: 1 months KIBOR + 3.5%). The entire amount of loan is overdue as at June 30, 2016.

Security

The facility is secured by creation of mortgage amounting to the sum of Rs 142.857 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.

During the year end, the PAIR Investment Company Limited (PAIR) has offered, which the company has accepted to settle and restructure the entire principal and accrued mark up as follows:

-Settlement of Rs 138.750 million inclusive of mark up of Rs 42.307 million against the properties at mezzanine floor and basement of Pace Towers measuring a total of 6,000 square feet and PAIR to vacate its charge to the extent of Rs 120.85 million on MM Alam plaza.

-Restructuring of Rs 15.950 million on the following terms:

--Repayment in 20 equal installments starting from September 01, 2017.

--Amount of loan will be secured against charge at MM Alam plaza with 25% Margin.

Legal documentation has not been finalized with PAIR as at year end.

	Note	2016	2015
		(Rupees in thousand)	
14. Creditors, accrued and other liabilities			
Trade creditors	14.1	**125,197**	110,219
Payable against return of properties sold		**131,000**	-
Advances from customers		**8,412**	8,141
Licensee fee received in advance		**4,133**	4,066
Accrued liabilities		**88,334**	74,986
Licensee security deposits		**31,459**	27,731
Payable to contractors		**2,699**	2,699
Retention money		**2,136**	1,326
Withholding tax payable		**36,428**	27,293
Others		**26,103**	34,659
		455,901	291,120

14.1 This includes amount of Rs 0.035 million (2015: Rs.0.657 millino) payable to Pace Barka Properties Limited, a related party. This is under normal course of business and interest free.

	Note	2016	2015
		(Rupees in thousand)	
15. Accrued finance cost			
Long term finances - secured	15.1	**20,179**	436,671
Short term finance - secured	15.2	**71,134**	61,386
Redeemable capital - secured (non-participatory)	15.3	**976,487**	841,737
Liabilities against assets subject to finance lease	15.4	**32,111**	28,281
		1,099,911	1,368,075

15.1 This includes overdue markup of Rs 19.529 million (2015: Rs 416.838 million).

15.2 This includes overdue markup of Rs 70.723 million (2015: Rs 60.951 million).

15.3 This includes overdue markup of Rs 929.819 million (2015: Rs 783.609 million).

15.4 This includes overdue markup of Rs 2.310 million (2015: Rs 2.310 million) and late payment charges of Rs 29.815 million (2015: Rs 25.983 million).

16. Contingencies and commitments

16.1 Contingencies

(i) Claims against the Company not acknowledged as debts Rs 21.644 million (2015: Rs 21.644 million).

(ii) Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favour of The Bank of Punjab, amounting to Rs 900 million (2015: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.

16.2 Commitments

(i) Contract for purchase of properties from Pace Barka Properties Limited, amounting to Rs 211.218 million (2015: Rs 271.946 million).

(ii) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Note	2016	2015
		(Rupees in thousand)	
Not later than one year		**7,875**	7,875
Later than one year and not later than five years		**41,836**	37,406
Later than five years		**720,139**	732,444
		769,850	777,725

17. Property, plant and equipment

	Note	2016	2015
Operating fixed assets			
- owned assets	17.1	**425,438**	431,957
- assets subject to finance lease	17.2	**381**	475
Capital work in progress	17.3	**27,544**	27,146
		453,363	459,578

17.1 Owned assets

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ transfers/ (deletions)	Transfers from assets subject to finance lease	Cost as at June 30, 2016	Accumulated depreciation & impairment as at June 30, 2015	Depreciation charge for the year/ (deletions)	Transfers from assets subject to finance lease	Accumulated depreciation & impairment as at June 30, 2016	Book value as at June 30, 2016	Depreciation rate
Freehold land *	155,152	-	-	155,152	-	-	-	-	155,152	0%
Leasehold land **	-	-	-	-	-	-	-	-	-	
Buildings on freehold land	179,470	-	-	179,470	59,753	5,986	-	65,739	113,731	5%
Buildings on leasehold land ***	179,121	-	-	179,121	109,948	4,170	-	114,118	65,003	3%
Plant and machinery	81,171	- - (2,476)	-	78,695	57,570	2,350 (1,371)	-	58,549	20,146	10%
Electrical equipment	77,882	16,706	-	94,588	41,643	4,751	-	46,394	48,194	10%
Office equipment and appliances	11,683	-	-	11,683	8,110	357	-	8,467	3,216	10%
Furniture and fixtures	11,784	-	-	11,784	6,984	480	-	7,464	4,320	10%
Computers	9,836	104	-	9,940	9,134	263	-	9,397	543	33%
Vehicles	53,204	- (472)	-	52,732	34,204	3,794 (399)	-	37,599	15,133	20%
	759,303	16,810 (2,948)	-	773,165	327,346	22,151 (1,770)	-	347,727	425,438	

2015

	Cost as at June 30, 2014	Additions/ transfers/ (deletions)	Transfers from assets subject to finance lease	Cost as at June 30, 2015	Accumulated depreciation as at June 30, 2014	Depreciation charge for the year/ (deletions)	Transfers from assets subject to finance lease	Accumulated depreciation as at June 30, 2015	Book value as at June 30, 2015	Depreciation rate
Freehold land *	155,152	-	-	155,152	-	-	-	-	155,152	0%
Leasehold land **	-	-	-	-	-	-	-	-	-	
Buildings on freehold land	179,470	-	-	179,470	53,452	6,301	-	59,753	119,717	5%
Buildings on leasehold land ***	205,322	- (26,201)	-	179,121	120,311	4,637 (15,000)	-	109,948	69,173	3%
Plant and machinery	81,171	-	-	81,171	54,948	2,622	-	57,570	23,601	10%
Electrical equipment	75,844	2,038	-	77,882	37,843	3,800	-	41,643	36,239	10%
Office equipment and appliances	11,683	-	-	11,683	7,713	397	-	8,110	3,573	10%
Furniture and fixtures	11,784	-	-	11,784	6,451	533	-	6,984	4,800	10%
Computers	9,585	251	-	9,836	8,855	279	-	9,134	702	33%
Vehicles	45,602	7,973 (4,889)	4,518	53,204	30,834	3,758 (3,513)	3,125	34,204	19,000	20%
	775,613	10,262 (31,090)	4,518	759,303	320,407	22,327 (18,513)	3,125	327,346	431,957	

* Freehold land represents the uncovered area of Main Boulevard Project, MM 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 May 15, 2007.

*** Building on leasehold land represents 8,227 square feet (2015: 8,227 square feet) relating to 2nd and 3rd floors of Fortress Project, Lahore the right of which has been acquired for 33 years in 2011 from Fortress Stadium management, Lahore Cantt.

17.1.1 The depreciation charge for the year has been allocated as follows:

		2016	2015
		(Rupees in thousand)	
Cost of sales	- note 28.3	12,495	12,327
Administrative and selling expenses	- note 29	9,656	10,000
		22,151	22,327

17.1.2 **Disposal of owned assets**

(Rupees in thousand)

Particular of Assets	Sold to	Cost	Accumulated depreciation	Sales proceeds	Mode of Disposal
Plant & Machinery	**Related Party**				
	Pace Barka Properties Limited	2,476	1,371	6,000	- Negotiation -
Vehicles	**Related Party**				
	Pace Barka Properties Limited	472	399	406	- Negotiation -
		2,948	1,770	6,406	

Assets subject to finance lease

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ (transfers)	Cost as at June 30, 2016	Accumulated depreciation as at June 30, 2015	Depreciation charge for the year / (transfers)	Accumulated depreciation as at June 30, 2016	Book value as at June 30, 2016	Depreciation rate
	1,395	-	1,395	920	94	1,014	381	20%
Plant and machinery	57,500	-	57,500	57,500	-	57,500	-	33%
	58,895	-	58,895	58,420	94	58,514	381	
		-			-			

2015

	Cost as at June 30, 2014	Additions/ (transfers)	Cost as at June 30, 2015	Accumulated depreciation as at June 30, 2014	Depreciation charge for the year / (transfers)	Accumulated depreciation as at June 30, 2015	Book value as at June 30, 2015	Depreciation rate
	5,913	- (4,518)	1,395	3,799	246 (3,125)	920	475	20%
Plant and machinery	57,500	-	57,500	57,500	-	57,500	-	33%
	63,413	- (4,518)	58,895	61,299	246 (3,125)	58,420	475	

The depreciation charge for the year has been allocated to administrative and selling expenses.

		June 2016	June 2015
		(Rupees in thousand)	
Capital work in progress			
Opening cost		27,146	135,341
Project development costs		398	1,273
Transfer to inventory	- note 28.1	-	(109,468)
		27,544	27,146

This represents the 3rd floor measuring 4,170 (2015:4,170) square feet of Pace Towers located at 27 H Gulberg III Lahore, which the Company intends to retain for its own use. This also includes borrowing costs of Rs 5.035 million (2015: Rs 5.039 million).

18 Intangible assets

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ (deletions)	Cost as at June 30, 2016	Accumulated amortisation as at June 30, 2015	Amortisation charge for the year	Accumulated amortisation as at June 30, 2016	Book value as at June 30, 2016
Softwares	2,878	-	2,878	2,332	55	2,387	491
Dark fiber *	9,508	-	9,508	3,445	475	3,920	5,588
	12,386	-	12,386	5,777	530	6,307	6,079

2015

	Cost as at June 30, 2014	Additions/ (deletions)	Cost as at June 30, 2015	Accumulated amortisation as at June 30, 2014	Amortisation charge for the year	Accumulated amortisation as at June 30, 2015	Book value as at June 30, 2015
Softwares	2,878	-	2,878	2,271	61	2,332	546
Dark fiber *	9,508	-	9,508	2,970	475	3,445	6,063
	12,386	-	12,386	5,241	536	5,777	6,609

* This represents purchase of right to use optical fiber at Company properties for 20 years from Worldcall Telecom Limited.

18.1 The amortisation charge for the year has been allocated to administrative and selling expenses.

19. Investment Property

	Cost as at June 30, 2016	Cost as at June 30, 2015	Fair Value as at June 30, 2016	Fair Value as at June 30, 2015
	(Rupees in thousand)			
Opening value	1,701,343	1,715,380	3,421,430	3,370,166
- Settlement against loan	(5,376)	-	(7,328)	-
- Disposal of investment property	(92,333)	(14,037)	(73,810)	(25,736)
Closing value before revaluation as at June 30	1,603,634	1,701,343	3,340,292	3,344,430
Fair value gain recognised in profit and loss account	-	-	29,410	77,000
Fair value as at June 30	1,603,634	1,701,343	3,369,702	3,421,430

20. Long term investments

	Note	2016	2015
		(Rupees in thousand)	
Equity instruments of:			
- subsidiaries - unquoted	20.1	**91,670**	91,670
- associate - unquoted	20.2	**758,651**	758,651
Available for sale - quoted	20.3	**784**	1,007
		851,105	851,328

20.1 Subsidiaries - unquoted

	2016	2015
Pace Woodlands (Private) Limited 3,000 (2015: 3,000) fully paid ordinary shares of Rs 10 each Equity held 52% (2015: 52%)	**30**	30
Pace Super Mall (Private) Limited 9,161,528 (2015: 9,161,528) fully paid ordinary shares of Rs 10 each Equity held 57% (2015: 57%)	**91,615**	91,615
Pace Gujrat (Private) Limited 2,450 (2015: 2,450) fully paid ordinary shares of Rs 10 each Equity held 100% (2015: 100%)	**25**	25
	91,670	91,670

	Note	2016	2015
		(Rupees in thousand)	
20.2 Associate - unquoted			
Pace Barka Properties Limited			
75,875,000 (2015: 75,875,000) fully paid ordinary shares of Rs 10 each		**758,651**	758,651
Equity held 24.9% (2015: 24.9%)			
20.3 Available for sale - quoted			
Worldcall Telecom Limited			
912 (2015: 912) fully paid ordinary shares of Rs 10 each		**6**	6
Shaheen Insurance Company Limited			
158,037 (2015: 158,037) fully paid ordinary shares of Rs 10 each		**2,008**	2,008
		2,014	2,014
Less: Cumulative fair value loss	20.3.1	**(1,230)**	(1,007)
		784	1,007
20.3.1 Cumulative fair value loss			
Opening balance		**1,007**	1,056
Fair value loss / (gain) during the year		**223**	(49)
Transferred to profit and loss account on derecognition of investment	**-**	-	
		1,230	1,007

21. Long term advances and deposits

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

22. Deferred taxation

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

	2016	2015
	(Rupees in thousand)	
Accelerated tax depreciation	**229,947**	257,986
Employee retirement benefits	**(20,996)**	(19,633)
Provision for doubtful receivables	**(41,748)**	(43,069)
Deferred cost	**(131)**	(146)
Unused tax losses	**(167,072)**	(195,138)
	-	-

22.1 Deferred tax asset on tax losses available for carry forward and those representing minimum tax paid available for carry forward u/s 113 and 113C of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Company has not recognised deferred tax assets of Rs 945.529 million (2015: Rs 1,097.671 million) in respect of tax losses and

Rs 67.982 million (2015: Rs 7.758 million) in respect of minimum tax paid and available for carry forward u/s 113 and 113C of the Income Tax Ordinance, 2001, as sufficient tax profits would not be available to set these off in the foreseeable future. Minimum tax paid u/s 113 and 113C aggregating to Rs 67.982 million would not be available for carry forward against future tax liabilities subsequent to years 2016 through 2020. Tax losses amounting to Rs 853.010 million, Rs 788.658 million, Rs 535.643 million Rs 279.825 million and Rs 304.691 million will expire in year 2017, 2018, 2019, 2020 and 2021 respectively.

23. Stock-in-trade

	Note	2016	2015
		(Rupees in thousand)	
Work in process - Pace Towers	23.1 & 23.2	**838,872**	1,243,560
Shops and houses		**315,961**	315,961
Pace Barka Properties Limited - Pace Circle		**624,123**	602,459
Pace Super Mall (Private) Limited		**21,600**	21,600
		1,800,556	2,183,580
Stores inventory		**1,581**	842
		1,802,137	2,184,422

23.1 Included in work in process are borrowing costs of Rs 202.661 million (2015: Rs 350.451 million). During the year borrowing cost capitalized was Nil (2015: Rs 64.346 million).

23.2 The charge amounting to Rs 1,200.5 million (2015: Rs 1,200.5 million) has been registered against work in process with lenders as security against long term loan and redeemable capital as referred to in note 6 and note 7 respectively.

24. Trade debts - unsecured

	Note	2016	2015
		(Rupees in thousand)	
Considered good	24.1	**647,490**	676,181
Considered doubtful		**130,463**	130,513
		777,953	806,694
Less: Provision for doubtful debts	24.2	**(130,463)**	(130,513)
		647,490	676,181

24.1 This includes Rs 6.681 million (2015: Rs 6.681 million) interest free amount due from First Capital Securities Corporation Limited, a related party.

24.2 Provision for doubtful debts

	Note	2016	2015
		(Rupees in thousand)	
Opening balance		**130,513**	133,519
Reversal during the year	30	**(50)**	(3,006)
Balance as at June 30		**130,463**	130,513

	Note	2016	2015
		(Rupees in thousand)	
25. Advances, deposits, prepayments and other receivables			
Advances - considered good			
- to employees		**11,328**	7,605
- to suppliers	25.1	**13,606**	15,196
Security deposits		**19,775**	12,265
Advances to contractors		**921**	5,921
Receivable against sale of investment property	25.2	**73,935**	13,138
Others - considered good	25.3	**31,353**	31,615
		150,918	85,740

25.1 This includes the following interest free amounts due from related parties:

Media Times Limited	**-**	6,295
World Press (Private) Limited	**429**	2,010
	429	8,305

25.2 This includes Rs 71.479 million (2015: Nil) interest free amount due from Ever Green Water Valley (Private) Limited, a related party.

25.3 This includes Rs 10.485 million (2015: Rs 10.684 million) interest free amount due from Media Times Limited, a related party.

	Note	2016	2015
		(Rupees in thousand)	
26. Cash and bank balances			
At banks			
- in saving accounts	26.1 & 26.2	**536**	351
- in current accounts		**93**	804
		629	1,155

26.1 The balances in saving accounts bear markup ranging from 3% to 6% per annum (2015: 5% to 12%).

26.2 This includes Rs 0.006 million (2015: Rs 0.006 million) placed in Debt Servicing Reserve Account of National Bank of Pakistan.

27. Sales

	2016	2015
	(Rupees in thousand)	
Shops / apartments and commercial buildings		
- at percentage of completion basis	**101,551**	67,379
- at completion of project basis		
-- Owned	**108,440**	44,634
-- Pace Circle	**65,901**	58,077
Licensee fee	**41,951**	38,075
Display advertisements and miscellaneous income	**16,952**	17,513
Service charges	**185,746**	187,526
	520,541	413,204

27.1 Sales return

This represents reversal of sales of commercial floor recognized on percentage of completion basis, against which sale agreement has been cancelled as per mutual understanding of the buyer and the Company.

27.2 Sales recognised at percentage of completion basis

	2016	2015
	(Rupees in thousand)	
Revenue recognised to date	**720,540**	722,599
Aggregate cost incurred to date	**(632,483)**	(624,296)
Recognised profit to date	**88,057**	98,303

27.2.1 The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the year is Rs 101.551 million (2015: Rs 67.379 million). Amount received against these agreements amounts to Rs 96.296 million (2015: Rs 154.017 million).

28. Cost of sales

	Note	2016	2015
		(Rupees in thousand)	
Shops / apartments and commercial buildings sold			
- at percentage of completion basis	28.1	**7,980**	69,386
- at completion of project basis			
-- Owned	28.2	**64,375**	23,871
-- Pace circle		**39,064**	34,728
Stores operating expenses	28.3	**257,312**	279,908
		368,731	407,893

	Note	2016	2015
		(Rupees in thousand)	
28.1 Shops / apartments and commercial buildings sold at percentage of completion basis			
Opening work in process		**1,243,560**	1,134,710
Transfer from capital work in progress	17.3	**-**	109,468
Project development costs	28.1.1	**67,780**	88,415
Property sold on completion basis	28.1.2	**(64,375)**	(19,647)
Property settled against loans	28.1.3	**(400,113)**	-
Closing work in process	23	**(838,872)**	(1,243,560)
Cost of shops / apartments and commercial buildings sold during the year	28.1.4	**7,980**	69,386

28.1.1 This includes borrowing cost of Nil (2015: Rs 64.346 million).

28.1.2 This represents cost of completed property sold from Pace Towers project to Silkbank Limited as referred to in note 11.1. No further costs are to be incurred in respect of this property.

28.1.3 This represents aggregate cost of completed properties in Pace Towers project which have been transferred to the lenders against settlement of loans as referred to in notes 6.1, 6.2 and 6.3. No further costs are to be incurred in respect of these properties.

	Note	2016	2015
		(Rupees in thousand)	
28.1.4 Cost of shops / apartments and commercial buildings sold during the year			
Cost of shops / apartments and commercial buildings sold during the year		**105,507**	69,386
Cost of shops / apartments and commercial buildings returned during the year		**(97,527)**	-
		7,980	69,386

	Note	2016	2015
28.2 Shops / apartments and commercial buildings sold at completion of project basis			
Opening inventory of shops and houses		**315,961**	282,804
Repurchased / swapped during the year		**-**	37,381
Property sold on completion basis from Pace Towers	28.1.2	**64,375**	19,647
Closing inventory of shops and houses	23	**(315,961)**	(315,961)
		64,375	23,871

28.3 Stores operating expenses

	Note	2016	2015
		(Rupees in thousand)	
Salaries, wages and benefits	28.3.1	**54,135**	49,334
Rent, rates and taxes	28.3.2	**10,552**	12,091
Insurance		**7,932**	15,577
Fuel and power		**126,149**	145,339
Depreciation on owned assets	17.1.1	**12,495**	12,327
Repairs and maintenance		**8,913**	13,600
Janitorial and security charges		**18,893**	18,198
Others		**18,243**	13,442
		257,312	279,908

28.3.1 Salaries, wages and benefits include following in respect of gratuity:

	2016	2015
Current service cost	**927**	923
Interest cost	**389**	477
	1,316	1,400

28.3.2 This is net of Rs 3.12 million (2015: Rs 2.64 million), which represents common costs charged by the Company to Pace Barka Properties Limited, a related party.

29. Administrative and selling expenses

	Note	2016	2015
		(Rupees in thousand)	
Salaries, wages and benefits	29.1	**54,003**	45,074
Travelling and conveyance		**3,114**	2,598
Rent, rates and taxes		**667**	714
Insurance		**2,424**	3,467
Printing and stationery		**1,388**	1,910
Repairs and maintenance		**8,058**	3,724
Motor vehicles running		**5,582**	7,946
Communications		**3,771**	4,471
Advertising and sales promotion		**21,541**	19,337
Depreciation and impairment on:			
- owned assets	17.1.1	**9,656**	10,000
- assets subject to finance lease	17.2.1	**94**	246
Amortisation on intangible assets	18.1	**530**	536
Auditors' remuneration	29.2	**3,225**	3,600
Legal and professional		**19,123**	4,488
Commission on sales		**30,310**	20,956
Office expenses		**5,615**	5,222
Other expenses		**8,756**	3,231
		177,857	137,520

	Note	2016	2015
		(Rupees in thousand)	
29.1 Salaries, wages and benefits include following in respect of gratuity:			
Current service cost		**6,200**	6,270
Interest cost		**2,605**	3,245
		8,805	9,515
29.2 Auditors' remuneration			
The charges for auditors' remuneration includes the following in respect of auditors' services for:			
Statutory audit		**1,700**	1,950
Half yearly review		**600**	650
Audit of consolidated financial statements, certification and sundry services		**500**	600
Out of pocket expenses		**425**	400
		3,225	3,600
30. Other income			
Income from financial assets			
Markup on bank accounts		**493**	259
Commission on guarantee	30.1	**1,238**	1,238
Income from non-financial assets			
Gain on sale of property, plant and equipment		**5,228**	1,219
Rental income		**10,636**	9,663
Scrap sales		**808**	2,444
Gain on disposal of investment property		**39,730**	4,275
Others			
Gain on settlement of loans	6	**599,225**	-
Income from parking and storage		**6,799**	7,390
Liabilities no longer required written back		**6,519**	-
Reversal of provision for doubtful debts	24.2	**50**	3,006
Income from counters and stalls		**2,312**	2,855
		673,038	32,349

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

	Note	2016	2015
		(Rupees in thousand)	

31. Other operating expenses

	Note	2016	2015
Exchange loss on foreign currency convertible bonds	9	**49,276**	47,991
Loss on swap of shops		**-**	1,546
		49,276	49,537

32. Finance costs

	2016	2015
Markup on		
- Long term finances - secured	**2,688**	34,521
- Foreign currency convertible bonds - unsecured	**16,480**	8,481
- Redeemable capital - secured (non-participatory)	**134,750**	166,565
- Short term finance -secured	**9,748**	12,469
- Liabilities against assets subject to finance lease	**3,831**	5,737
	167,497	227,773
Bank charges and processing fee	**1,759**	2,578
	169,256	230,351

33. Taxation

The provision for current taxation for the year represents the tax liability under section 113C of the Income Tax Ordinance, 2001.

33.1 Tax charge reconciliation

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

	2016	2015
	Percentage	
Applicable tax rate	**32.00**	33.00
Tax effect of amounts that are:		
Income not chargeable to tax	**(0.22)**	6.49
Minimum tax for the year	**17.00**	(1.36)
Effect of deferred tax asset not recognised on taxable loss	**(31.78)**	(39.49)
	(15.00)	(34.36)
Average effective tax rate charged to profit and loss account	**17.00**	(1.36)

For the purposes of current taxation, the tax losses available for carry forward as at June 30, 2016 are estimated approximately at Rs 3,489.240 million (2015: Rs 3,858.304 million).

34. Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Short term employee benefits						
Managerial remuneration	3,400	3,400	1,600	1,838	6,350	8,221
Housing	1,360	1,360	640	735	2,540	3,289
Utilities	340	340	160	184	635	822
	5,100	5,100	2,400	2,757	9,525	12,332

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
Number of persons	1	1	2	2	8	11

The Company also provides its executives and some of its directors with free transport.

35. Cash generated from operations

	Note	2016	2015
		(Rupees in thousand)	
Profit / (loss) before tax		**354,259**	(302,748)
Adjustment for:			
Exchange loss on foreign currency convertible bonds	9	**49,276**	47,991
Provision for gratuity and leave encashment	10	**10,440**	11,427
Depreciation on:			
- owned assets	17.1	**22,151**	22,327
- assets subject to finance lease	17.2	**94**	246
Amortisation on intangible assets	18	**530**	536
Changes in fair value of investment property	19	**(29,410)**	(77,000)
Reversal for doubtful receivables	30	**(50)**	(3,006)
Markup income	30	**(493)**	(259)
Gain on sale of property, plant and equipment	30	**(5,228)**	(1,219)
Gain on sale of investment property	30	**(39,730)**	(4,275)
Liabilities no longer required written back	30	**(6,519)**	-
Loss on swap of shops	31	**-**	1,546
Gain on settlement of loans	30	**(599,225)**	-
Finance costs	32	**167,497**	230,351
Loss before working capital changes		**(76,408)**	(74,083)
Effect on cash flow due to working capital changes:			
Increase in stock-in-trade		**(17,828)**	(31,380)
Decrease / (increase) in trade debts		**28,741**	(42,710)
Decrease in advances, deposits and other receivables		**6,301**	6,278
Net (decrease) / increase in advances against sale of property		**(124,401)**	100,255
Increase in creditors, accrued and other liabilities		**167,864**	51,262
		60,677	83,705
		(15,731)	9,622

	Note	2016	2015
		(Rupees in thousand)	

36. Cash and cash equivalents

	Note	2016	2015
Short term finance - secured	13	**(96,443)**	(96,443)
Cash and bank balances	26	**629**	1,155
		(95,814)	(95,288)

37. Financial risk management

37.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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:

	2016	2015
	(Rupees in thousand)	
Foreign currency convertible bonds - USD	**16,582,729**	16,425,331

The following significant exchange rates were applied during the year:

Rupees per USD

	2016	2015
Average rate	**104.30**	101.70
Reporting date rate	**104.70**	101.70

If the functional currency, at reporting date, had weakened/strengthened by 5% against the USD with all other variables held constant, post-tax loss for the year would have been Rs 72.806 million (2015: Rs 83.604 million) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

Other price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since the investments in listed equity securities are immaterial.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from deposits in saving accounts with various commercial banks. Long term financing obtained at variable rates also expose the Company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2016	2015
	(Rupees in thousand)	
FIXED RATE INSTRUMENTS		
Financial assets		
Bank balances - savings accounts	**(536)**	(351)
Financial liabilities		
Foreign currency convertible bonds - unsecured	**1,736,212**	1,670,456
Net interest rate risk	**1,735,676**	1,670,105
FLOATING RATE INSTRUMENTS		
Financial liabilities		
Redeemable capital - secured (non-participatory)	**1,498,200**	1,498,200
Liabilities against assets subject to finance lease	**20,746**	23,614
Short term finance - secured	**96,443**	96,443
Long term finances - secured	**27,422**	614,906
Net interest rate risk	**1,642,811**	2,233,163

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates on redeemable capital, liabilities against assets subject to finance lease, term finances and short term finances, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, post tax loss for the year would have been Rs 9.567 million (2015: Rs 22.346 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its trade debts, advances against purchase of property and its balances at banks.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016	2015
	(Rupees in thousand)	
Long term advances and deposits	**13,619**	13,619
Trade debts - unsecured	**777,953**	806,694
Advances, deposits, prepayments and other receivables		
- Advances to employees - considered good	**11,328**	7,605
- Security deposits	**19,775**	12,265
- Receivable against sale of investment property	**73,935**	13,138
- Others - considered good	**31,353**	31,615
Cash and bank balances	**629**	1,155
	928,592	886,091

The age of trade debts at balance sheet date is as follows:		
- Not past due	**-**	-
- Past due 0 - 365 days	**118,685**	104,152
- 1 - 2 years	**353,164**	310,861
- More than 2 years	**306,104**	391,681
	777,953	806,694

The age of related party trade debt at balance sheet date is as follows:

First Capital Securities Corporation Limited		
- More than 2 years	**6,681**	6,681

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Furthermore, the Company transfers the legal title of sold properties only after complete settlement of debt. Accordingly, the credit risk is minimal.

(ii) Credit quality of major financial assets

The credit quality of cash and 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 Short term	Long term	Rating Agency	2016	2015
				(Rupees in thousand)	
Bank Islami Pakistan Limited formerly known as KASB Bank	A1	A+	PACRA	10	10
Allied Bank Limited	A1+	AA+	PACRA	34	123
Faysal Bank Limited	A1+	AA	PACRA	65	20
United Bank Limited	A-1+	AA+	JCR-VIS	6	6
Soneri Bank Limited	A1+	AA-	PACRA	6	6
Habib Bank Limited	A-1+	AAA	JCR-VIS	-	138
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	19
Silk Bank Limited	A-2	A-	JCR-VIS	71	70
Burj Bank Limited	A-2	A-	JCR-VIS	-	-
NIB Bank limited	A1+	AA-	PACRA	1	5
Bank Alfalah Limited	A1+	AA	PACRA	45	-
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	275	673
National Bank of Pakistan	A1+	AAA	PACRA	81	79
Askari Bank Limited	A-1+	AA	JCR-VIS	6	6
MCB Bank Limited	A1+	AAA	PACRA	29	-
				629	1,155

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Management monitors the forecasts of the Company's cash and cash equivalents (note 36) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans. During the year the Company remained under severe liquidity pressure as mentioned in note 2.2.

The following are the contractual maturities of financial liabilities as at June 30, 2016:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finances - secured	27,422	27,422	-	-
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200	-	-
Liabilities against assets subject to finance lease	20,746	20,746	-	-
Foreign currency convertible bonds - unsecured	1,736,212	1,736,212	-	-
Short term finance - secured	96,443	96,443	-	-
Creditors, accrued and other liabilities	455,901	455,901	-	-
Accrued finance cost	1,099,911	1,099,911	-	-
	4,934,835	4,934,835	-	-

The following are the contractual maturities of financial liabilities as at June 30, 2015:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finances - secured	614,906	614,906	-	-
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200	-	-
Liabilities against assets subject to finance lease	23,614	23,614	-	-
Foreign currency convertible bonds - unsecured	1,670,456	1,670,456	-	-
Short term finance - secured	96,443	96,443	-	-
Creditors, accrued and other liabilities	291,120	291,120	-	-
Accrued finance cost	1,368,075	1,368,075	-	-
	5,562,814	5,562,814	-	-

37.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

	2016 (Rupees in thousand)			2015
Assets as per balance sheet	Available for sale	Loans and receivables	Total	Total
Long term advances and deposits	-	13,619	13,619	13,619
Trade debts - unsecured	-	647,490	647,490	676,181
Investments	784	-	784	1,007
Advances, deposits, prepayments and other receivables				
- Advances to employees - considered good	-	11,328	11,328	7,605
- Security deposits	-	19,775	19,775	12,265
- Others - considered good	-	31,353	31,353	31,615
- Receivable against sale of investment property	-	73,935	73,935	13,138
Cash and bank balances	-	629	629	1,155
	784	798,129	798,913	756,585

	Financial liabilities at amortised cost	
	2016	2015
Liabilities as per balance sheet	(Rupees in thousand)	
Long term finances - secured	27,422	614,906
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200
Liabilities against assets subject to finance lease	20,746	23,614
Foreign currency convertible bonds - unsecured	1,736,212	1,670,456
Short term finance - secured	96,443	96,443
Creditors, accrued and other liabilities	455,901	291,120
Accrued finance cost	1,099,911	1,368,075
	4,934,835	5,562,814

37.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. 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. Consistent with others in the industry and the requirements of the lenders the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, as disclosed in note 6, 7, 9 and 12 less cash and cash equivalents as disclosed in note 36. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The Company's strategy, which was unchanged from last year, was to maintain a gearing ratio of 60% debt and 40% equity. The gearing ratio as at year ended June 30, 2016 and June 30, 2015 are as follows:

	Note	2016	2015
		(Rupees in thousand)	
Borrowings		**3,261,834**	3,783,562
Less: Cash and cash equivalents	36	**(95,814)**	(95,288)
Net debt		**3,357,648**	3,878,850
Total equity		**2,222,358**	1,925,276
Total capital		**5,580,006**	5,804,126
Gearing ratio		**60%**	67%

38. Fair value estimation

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets measured at fair value at June 30, 2016:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Recurring fair value measurement of Available for sale financial assets	784	-	-	784
Recurring fair value measurement of Investment property:				
Freehold land	-	1,214,500	-	1,214,500
Buildings	-	-	2,155,202	2,155,202
	784	1,214,500	2,155,202	3,370,486

The following is categorization of assets measured at fair value at June 30, 2015:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Recurring fair value measurement of Available for sale financial assets	1,007	-	-	1,007
Recurring fair value measurement of Investment property:				
Freehold land	-	1,165,920	-	1,165,920
Buildings	-	-	2,255,510	2,255,510
	1,007	1,165,920	2,255,510	3,422,437

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the periods.

Valuation techniques used to measure level 2 and 3 assets

The fair value of these assets is determined by an independent professionally qualified valuer. Latest valuation of these assets was carried out on June 30, 2016. The level 2 fair value of freehold land has been derived using the sales comparison approach. The most significant input into this valuation approach is price per square yard. 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.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period and year ended June 30, 2016 and June 30, 2015 for recurring fair value measurements:

	2016	2015
	(Rupees in thousand)	
Opening fair value	**2,255,510**	2,301,406
Disposal of investment property	**(73,810)**	(25,736)
Settlement against loan	**(7,328)**	-
	2,174,372	2,275,670
Fair value loss recognised during year	**(19,170)**	(20,161)
Closing value after revaluation	**2,155,202**	2,255,510

The change in unrealized gains/ losses of the investment property is credited/charged to the profit and loss account as "Changes in fair value of investment property".

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. See paragraph above for the valuation techniques adopted.

Description	Fair Value at 2016 Rs'000	Fair Value at 2015 Rs'000	Significant Unobserv-able inputs	Quantitative Data / Range and relationship to the fair value
Buildings	2,155,202	2,255,510	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 factor 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.

39. Earnings per share

Basic earnings per share is calculated by dividing profit after for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. The weighted average numbers of shares outstanding during the year and the previous year have been adjusted for the events that have changed the number of shares outstanding without a corresponding change in resources. The information necessary to calculate basic and diluted earning per share is as follows:

39.1 Basic earnings / (loss) per share

		2016	2015
Profit / (loss) for the year	**Rupees in thousand**	**294,035**	(306,880)
Weighted average number of ordinary shares outstanding during the year	**In thousand**	**278,877**	278,877
Basic earnings / (loss) per share	**Rupees**	**1.05**	(1.10)

39.2 Diluted earnings / (loss) per share

The dilution effect on basic earnings / (loss) per share is due to conversion option on foreign currency convertible bonds ('FCCB'). The basic weighted average number of shares have been adjusted for conversion option available to bond holders.

		2016	2015
Profit / (loss) for the year for calculation of basic earnings / (loss) per share	**Rupees in thousand**	**294,035**	(306,880)
Interest on FCCB	**Rupees in thousand**	**13,678**	16,007
Exchange loss on FCCB during the year	**Rupees in thousand**	**40,899**	47,991
Profit / (loss) used to determine diluted earnings / (loss) per share	**Rupees in thousand**	**348,612**	(242,882)
Weighted average number of ordinary shares outstanding during the year	**In thousand**	**278,877**	278,877
Assumed conversion of FCCB into ordinary shares	**In thousand**	**114,802**	111,940
Weighted average number of ordinary shares for earnings / (loss) per share	**In thousand**	**393,679**	390,817
Diluted earnings / (loss) per share	**Rupees**	**0.89**	(0.62)

The effect of the conversion of the foreign currency convertible bonds into ordinary shares is anti-dilutive for the prior year, accordingly the diluted loss per share is restricted to the basic loss per share.

40. Transactions with related parties

The related parties comprise associates, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of key management personnel is disclosed in note 34. Other significant transactions with related parties are as follows:

Relationship with the company	**Nature of transactions**	**2016**	2015
		(Rupees in thousand)	
i. Associate	Guarantee commission income	**1,238**	1,238
	Purchase of inventory	**60,728**	108,440
	Receipts against Pace circle sales	**36,878**	32,160
	Shared expense charged by the company	**3,122**	2,640
	Sale of property, plant and equipment	**6,406**	-
ii. Others	Purchase of goods & services	**15,239**	2,262
	Sale of services	**1,314**	1,736
	Rental income	**10,636**	9,663
	Sale of investment property	**113,540**	-

All transactions with related parties have been carried out on mutually agreed terms and conditions.

41. Number of employees

	2016	2015
Total number of employees as at June 30	**314**	314
Average number of employees during the year	**314**	318

42. Date of authorisation

These financial statements were authorised for issue on September 28, 2016 by the board of directors of the Company.

43. Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2016

DIRECTORS' REPORT TO THE SHAREHOLDERS

Pakistan's economy continued to maintain its growth momentum for the 3rd consecutive year with real GDP growing at 4.71 percent in FY 2016 which is the highest in eight years. The impact of major set-back in agriculture growth due to massive decline in cotton production was to a large extent, compensated by the remarkable growth in industrial and services sector as both these sectors crossed their targets growth, while other key macroeconomic indicators like inflation, fiscal and current account balance recorded improvement.
The average CPI inflation fell from 4.53 percent in FY 2015 to 2.79 percent during FY 2016. A stable outlook of inflation and balance of payments allowed policymakers to implement pro-growth strategies.

The per capita income in dollar terms increased from $ 1,516.8 in FY 2015 to $ 1,560.7 in FY 2016. The contributing factors for the increase in per capita income include acceleration in real GDP growth, lower growth in population and stability of Pak Rupee.

The outgoing fiscal year FY 2016 has seen more expansion in credit to private sector due to expansionary monetary policy stance by SBP. SBP cut its policy rate significantly to 5.75 percent in May, 2016 which is the lowest in 44 year. The flows of Credit to Private Sector (CPS) have seen expansion of 82.0 percent compared to the contraction of 41.5 percent during same period last year.
Fiscal year 2015-16 has witnessed a significant and an overall steady rise in the stock market indices where historic and unprecedented levels were crossed. As at close of FY-16, the benchmark PSX 100-index reached 37,783.54 points, the highest level in Pakistan stock market history.

Real Estate overview:

Government's infrastructure spending during the FY-16 led to buoyancy in construction activity, which recorded an impressive growth of 13.10 percent YoY basis. The construction related activities will gain further momentum on the back of increasing public sector development spending coupled with infrastructure and power sector development programme under CPEC.

Real estate sector being a promising and growing sector of Pakistan, accounts for 2% of country's GDP. Due to increasing rate of urbanization, coupled with the extremely high prices of residential properties, the property seekers in Pakistan are more inclined towards affordable apartments instead of expensive houses. Moreover, with the flourishing businesses in Pakistan on the back of favorable economic conditions, the demand for commercial spaces is also witnessing an upward trend, leading to the growing demand for commercial plazas and shopping malls.

Despite, these favorable economic conditions for the real estate sector during FY-16, the sector suffered from the introduction of potentially discouraging measures by government including re-scheduling of rates and timeframes of CGT, increase in DC valuation rates, transfer of valuation authority from Provinces to FBR and increase in rates of advance taxes etc. These measures resulted in a noticeable slump in the real estate sector in the last quarter of FY-16.

Group Performance and Financial Overview:

During the current financial year, the Group has shown a healthier performance as compared to previous year, with an aggregate increase in sales by **25.9%.** Group recorded the gross sales of Rs. 520.541 million, during FY-2016, as compared to Rs. 413.204 million last year, with a substantial increase of Rs. 107.3 million. Net profit after tax of the Group for the current year amounted to Rs. Rs. 228.4 million as compared with the net loss after tax of Rs. 303.9 million last year.

Comparison of the audited results for the year ended June 30, 2016 as against June 30, 2015 is as follows:

	Year Ended June 30,	
	2016	2015
	Rupees in thousand	
Sales	**520,541**	413,204
Less: Sales Return	**(103,610)**	-
Net Sales	**416,931**	413,204
Cost of Sales	**(368,731)**	(407,893)
Gross profit	**48,200**	5,311
Other income	**673,038**	32,349
Finance cost	**(169,256)**	(230,375)
Net profit / (loss) before tax	**300,841**	(297,503)
Net profit / (loss) after tax	**228,441**	(303,900)
Earning /(Loss) per share	**0.72**	(1.09)

The sales return during the FY-2016 was due to reversal of sales of commercial floor in Pace Tower project against which agreement have been cancelled as per mutual understanding of the buyer and the Group. The significant upward variance in other income of Rs. 640.6 million during the current year was mainly due to settlement of loans of banks against inventory of the Group at market rates. The differential of the transaction amounting to Rs. 273.90 million was treated as gain in other income. Finance cost relating to settled loans amounting to Rs. 325.36 million, was also waived during the period. Finance cost showed a significant decline of 26.5% as compared with previous year, primarily due to settlement of aforementioned outstanding loans of the Group, during the FY-2016.

For and on behalf of the Board of Directors

Lahore:
September 28, 2016

Aamna Taseer
Chief Executive Officer

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Pace (Pakistan) Limited (the Holding Company) and its subsidiary companies (hereinafter referred to as the 'the Group') as at June 30, 2016 and the related consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement together with the notes forming part thereof, for the year then ended. We have also expressed a separate opinion on the financial statements of Pace (Pakistan) Limited. Its subsidiary companies, Pace Woodlands (Private) Limited, Pace Gujrat (Private) Limited and Pace Supermall (Private) Limited were audited by other firms of auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included for such companies, is based solely on the reports of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

As stated in note 2.3.1 to the annexed consolidated financial statements, the Group has changed its accounting policies on initial application of standards, amendments or interpretations to existing standards.

In our opinion, the consolidated financial statements present fairly the financial position of Pace (Pakistan) Limited and its subsidiary companies (the Group) as at June 30, 2016 and the results of their operations for the year then ended.

We draw attention to note 2.2 to the financial statements which indicates the Group could not meet its obligations in respect of principal and markup repayments on borrowings from lenders. The current liabilities of the Group have exceeded its current assets by Rs 2,140.589 million and the reserves of the Group have been significantly depleted. These factors, along with other matters as set forth in note 2.2 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants

Lahore: October 07, 2016

Name of Engagement Partner: Asad Aleem Mirza

CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2016

	Note	June 30, 2016	June 30, 2015
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
600,000,000 (2015: 600,000,000)			
ordinary shares of Rs 10 each		**6,000,000**	6,000,000
Issued, subscribed and paid up capital			
278,876,604 (2015: 278,876,604)			
ordinary shares of Rs 10 each	5	**2,788,766**	2,788,766
Reserves		**286,023**	269,364
Accumulated loss		**(399,105)**	(630,903)
		2,675,684	2,427,227
NON-CONTROLLING INTEREST		**87,398**	87,485
		2,763,082	2,514,712
NON-CURRENT LIABILITIES			
Long term finances - secured	6	**-**	-
Redeemable capital - secured (non-participatory)	7	**-**	-
Liabilities against assets subject to finance lease	8	**-**	-
Foreign currency convertible bonds - unsecured	9	**-**	-
Deferred liabilities	10	**38,278**	35,595
Deferred taxation	11	**57,117**	44,941
		95,395	80,536
CURRENT LIABILITIES			
Advances against sale of property	12	**108,532**	232,933
Current portion of long term liabilities	13	**3,282,580**	3,807,176
Short term finance - secured	14	**96,443**	96,443
Creditors, accrued and other liabilities	15	**492,209**	327,135
Accrued finance cost	16	**1,099,911**	1,368,075
Taxation		**5,534**	5,534
		5,085,209	5,837,296
CONTINGENCIES AND COMMITMENTS	17	**-**	-
		7,943,686	8,432,544

The annexed notes from 1 to 45 form an integral part of these financial statements.

Lahore
September 28, 2016

Aamna Taseer
Chief Executive

	Note	June 30, 2016	June 30, 2015
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	**453,363**	459,578
Intangible assets	19	**6,079**	6,609
Investment property	20	**3,369,702**	3,421,430
Long term investments	21	**1,155,672**	1,192,136
Long term advances and deposits	22	**14,250**	13,619
		4,999,066	5,093,372
CURRENT ASSETS			
Stock-in-trade	23	**2,136,149**	2,518,434
Trade debts - unsecured	24	**647,792**	676,483
Advances, deposits, prepayments and other receivables	25	**151,937**	87,391
Income tax recoverable		**8,014**	55,609
Cash and bank balances	26	**728**	1,255
		2,944,620	3,339,172
		7,943,686	8,432,544

Shehryar Ali Taseer
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

		Note	2016	2015
			(Rupees in thousand)	
Sales		27	**520,541**	413,204
Less: Sales return		27.1	**(103,610)**	-
			416,931	413,204
Cost of sales		28	**(368,731)**	(407,893)
Gross profit			**48,200**	5,311
Administrative and selling expenses		29	**(178,152)**	(137,815)
Other income		30	**673,038**	32,349
Other operating expenses		31	**(49,276)**	(49,537)
			493,810	(149,692)
Finance costs		32	**(169,256)**	(230,375)
Changes in fair value of investment property		20	**29,410**	77,000
Share of (loss) / profit from associate - net of tax		21.1	**(53,123)**	5,564
Profit / (loss) before tax			**300,841**	(297,503)
Taxation		33	**(72,400)**	(6,397)
Profit / (loss) for the year			**228,441**	(303,900)
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss				
Remeasurement of net defined benefit liability - net of tax			**3,270**	1,464
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of available for sale investments			**(223)**	49
Share in associate's changes in fair value of available for sale investments - net of tax			**907**	120
			684	169
Total comprehensive income / (loss) for the year			**232,395**	(302,267)
Attributable to:				
Equity holders of the parent			**232,482**	(302,174)
Non-controlling interest			**(87)**	(93)
			232,395	(302,267)
Earnings / (loss) per share attributable to ordinary shareholders				
- basic earnings / (loss) per share	Rupees	40.1	**0.82**	(1.09)
- diluted earnings / (loss) per share	Rupees	40.2	**0.72**	(1.09)

The annexed notes from 1 to 45 form an integral part of these financial statements.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

(Rupees in thousand)

	Attributable to equity holders of the parent						Non-Controlling Interest	Total Equity
	Share capital	Share premium Reserve	Reserve for changes in fair value of investments	Share in reserves of associate	Accumulated loss	Total		
Balance as on June 30, 2014	**2,788,766**	**273,265**	**(1,056)**	**(19,980)**	**(328,560)**	**2,712,435**	**87,578**	**2,800,013**
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	(303,807)	(303,807)	(93)	(303,900)
Other comprehensive income / (loss) for the year:								
Remeasurement of net defined benefit liability net of tax	-	-	-	-	1,464	1,464	-	1,464
Changes in fair value of available for sale investments - net of tax	-	-	49	-	-	49	-	49
Share of other comprehensive income / reserves of associate - net of tax	-	-	-	17,086	-	17,086	-	17,086
	-	-	49	17,086	(302,343)	(285,208)	(93)	(285,301)
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-	-	-	-
Balance as on June 30, 2015	**2,788,766**	**273,265**	**(1,007)**	**(2,894)**	**(630,903)**	**2,427,227**	**87,485**	**2,514,712**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	228,528	228,528	(87)	228,441
Other comprehensive income / (loss) for the year:								
Remeasurement of net defined benefit liability - net of tax	-	-	-	-	3,270	3,270	-	3,270
Changes in fair value of available for sale investments - net of tax	-	-	(223)	-	-	(223)	-	(223)
Share of other comprehensive income / reserves of associate - net of tax	-	-	-	16,882	-	16,882	-	16,882
	-	-	(223)	16,882	231,798	248,457	(87)	248,370
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-	-	-	-
Balance as on June 30, 2016	**2,788,766**	**273,265**	**(1,230)**	**13,988**	**(399,105)**	**2,675,684**	**87,398**	**2,763,082**

The annexed notes from 1 to 45 form an integral part of these financial statements.

Lahore
September 28, 2016

Aamna Taseer
Chief Executive

Shehryar Ali Taseer
Director

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees in thousand)	
Cash flow from operating activities			
Cash (used in) / generated from operations	35	**(15,101)**	9,622
Finance costs paid		**-**	(2,787)
Gratuity and leave encashment paid		**(1,050)**	(798)
Taxes paid		**(12,629)**	(11,803)
Net cash used in operating activities		**(28,780)**	(5,766)
Cash flow from investing activities			
Purchase of property, plant and equipment		**(17,208)**	(11,535)
Proceeds from sale of property, plant and equipment		**6,406**	2,595
Proceeds from sale of investment property		**42,061**	16,873
Increase in long term loans and deposits		**(631)**	-
Markup received		**493**	259
Net cash generated from investing activities		**31,121**	8,192
Cash flow from financing activities			
Repayment of finance lease liabilities		**(2,868)**	(2,918)
Net decrease in cash and cash equivalents		**(527)**	(492)
Cash and cash equivalents at the beginning of the year		**(95,188)**	(94,696)
Cash and cash equivalents at the end of the year	36	**(95,715)**	(95,188)

The annexed notes from 1 to 45 form an integral part of these financial statements.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1. Legal status and activities

1.1 Constitution and ownership

The consolidated financial statements of Pace (Pakistan) Group comprise of the financial statements of:

Pace (Pakistan) Limited

Pace (Pakistan) Limited (the "Holding Company") is a public limited Company incorporated in Pakistan and listed on Pakistan stock exchange. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan. The address of the registered office of the holding Company is 2nd floor Pace Mall, Fortress Stadium, Lahore.

Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited Company under Companies Ordinance, 1984. The object 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. It is a wholly owned Company of Pace (Pakistan) Limited.

Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited Company under Companies Ordinance, 1984. The object 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.

Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary) was incorporated on March 27, 2003 as a private limited Company under Companies Ordinance 1984. The object 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.

1.2 Activities of the Group

The object of the Group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2 Statement of Compliance

2.1 These consolidated financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the

Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Going concern assumption

As at the reporting date, the current liabilities of the Group have exceeded its current assets by Rs 2,140.589 million and the reserves of the Group have been significantly depleted. The Group has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its borrowings. As a consequence, the Group has also been unable to realise its existing receivables from customers and is facing difficulties in sale of its inventory, being encumbered against its borrowings. These conditions raise significant doubts on the Group's ability to continue as a going concern.

The management of the Holding Company however, is continuously engaged with its lenders for settlements of its borrowings. During the current year National Bank of Pakistan, Habib Bank Limited and Al-Baraka Bank (Pakistan) Limited have settled their outstanding amounts against property situated at Pace Towers and Pace Model Town (Extension) as mentioned in notes 6.1, 6.2 and 6.3 respectively. Similarly Pair Investment Company Limited has offered, which the Holding Company has accepted, to settle Rs 138.750 million inclusive of markup of Rs 42.307 million against properties at mezzanine floor and basement of Pace Tower measuring 6,000 sft and restructuring of Rs 15.950 million on conditions mentioned in note 14.

The Holding Company has also approached other lenders referred to in note 6 and 7 of these consolidated financial statements for restructuring/settlements of loans. As per the proposals the Group expects the following:

- Relaxation in payment terms of principal outstanding and over due markup;
- Settlement of principal amounts against properties of the Group; and
- Waiver of overdue markup;

The management of the Holding Company is confident that the above actions and steps shall enable the Holding Company to realise its existing receivables, aid the sale of inventory from the completed projects referred above and utilise the resultant liquidity for completion and sale of its 'Pace Towers' Project.

The consolidated financial statements have been prepared on a going concern basis based on the management's expectations that:

- the Group will be able to obtain relaxations from its lenders as highlighted above;

- the Group will be able to settle loans against its properties; and

- the Group will be able to readily realise its receivables and inventory and be able to utilise the resultant liquidity for completion and sale of the 'Pace Towers' project.

The consolidated financial statements consequently, do not include any adjustment relating to the realisation of its assets and liquidation of liabilities that might be necessary should the Group be unable to continue as a going concern.

2.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year and are applicable to the Group

- IFRS 10 - 'Consolidated financial statements' is applicable on accounting periods beginning on or after January 01, 2015. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The application of this standard has no material impact on the Group's financial statements.

- IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 01, 2015. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this standard has no material impact on the Group's financial statements.

- IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this standard has no material impact on the Group's financial statements.

- IFRS 13, 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The application of this standard has no material impact on the Group's financial statements except for certain additional fair value disclosures in note 39.

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Standards, amendments or interpretation	Effective date (accounting periods beginning on or after)
Annual improvements 2014	January 01, 2016
IAS 1 - Presentation of financial statements on disclosure initiative	January 01, 2016
IAS 16 - Property, plant and equipment in relation to use of revenue based methods to calculate the depreciation	January 01, 2016
IAS 27 - Separate financial statements on the equity method	January 01, 2016
IAS 28 - Investments in associates and joint ventures	January 01, 2016
IAS 38 - Intangible assets in relation to use of revenue based methods to calculate the depreciation	January 01, 2016
IAS 41 - Agriculture	January 01, 2016
IFRS 9 - Financial instruments	January 01, 2018
IFRS 10 - Consolidated financial statements	January 01, 2016
IFRS 11 - Joint arrangements on acquisition of an interest in a joint operation	January 01, 2016
IFRS 14 - Regulatory deferral accounts	January 01, 2016
IFRS 15 - Revenue from contracts with customers	January 01, 2017
IFRS 16 - Leases	January 01, 2019

3. Basis of measurement

3.1 These consolidated financial statements have been prepared under the historical cost convention except for revaluation of investment property, certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

The Group's significant accounting policies are stated in note 4. Not all of these significant accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers critical because of the complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Staff retirement benefits

The Group uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.6.

b) Provision for taxation

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

c) Useful life and residual values of property, plant and equipment

The Group 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.

d) Stock-in-trade

Stock-in-trade is carried at the lower of cost and net realisable value. The net realisable value is assessed by the Group having regard to the budgeted cost of completion, estimated selling price and knowledge of recent comparable transactions.

e) Investment property valuation

The Group normally uses the valuation performed by independent valuers as the fair value of its investment properties. The valuers make reference to market evidence of transaction prices for similar properties.

f) Transfer of equitable interest in stock-in-trade

The Group has entered into a number of contracts with buyers for the sale of condominiums, shops/counters and villas. Management has determined that equitable interest in such assets and therefore risks and rewards of the ownership are transferred to the buyer once he is committed to complete the payment for the purchase. This commitment is evidenced by a signed contract for the purchase of the property and payments of sufficient progress payments. Based on this, the Group recognises revenues and profits as the acts to complete the property are performed.

g) **Costs to complete the projects**

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. 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.

h) **Provision for doubtful receivables**

Provision against overdue receivable balances is recognised after considering the receipt pattern and the future outlook of the concerned receivable party. It is reviewed by the management on a regular basis.

4. Significant accounting policies

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

4.1 Consolidation

a) **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 the right 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 are de-consolidated from the date that control ceases. Details of subsidiaries is given in note 43.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair valueof any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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 re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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 financier under comparable terms and conditions.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. 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 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 profit or loss.

b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income and its share of post acquisition movement in reserves in recognised in reserves with a corresponding adjustment to 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 legal or constructive obligations or made payments on behalf of the associate.

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 income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associate are recognised in the income statement.

4.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in profit and loss account 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 prevailing tax rates or tax rates expected to apply to profit for the year if enacted 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 accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account, except in the case of items charged or credited to equity in which case it is included in the statement of changes in equity.

Provision is not made for taxation which would become payable if retained profits of subsidiaries were distributed to the holding Company, as it is not the intention to distribute more than the dividends, the tax on which is included in the financial statements.

4.3 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery signifies historical cost and borrowing costs as referred to in note 4.13.

Property, plant and equipment acquired under finance are capitalised at the lease's commencement of the lease term at lower of the present value of the minimum lease payments under the lease arrangements and the fair value of the leased property.

Depreciation on owned assets is charged to profit on the reducing balance method except for building on lease hold 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.

Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method except for plant and machinery which is being depreciated using the straight line method at the annual rates given in note 18.2.

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

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 for the month in which the asset is disposed off.

The Group assesses at each balance sheet 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 income currently. 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.

Subsequent costs are included in the asset's carrying amount or recognised 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. All other repair and maintenance costs are charged to profit and loss account 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.

4.4 Intangible assets

Expenditure incurred to acquire computer software and right to use optical fiber (dark fiber) are capitalised as intangible assets and stated at cost less accumulated amortisation and any identified impairment loss.

Amortisation is charged to income on the reducing balance method, except for dark fiber which is being amortised using the straight line method, so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged from the month in which an asset is acquired or capitalised while no amortisation is charged for the month in which the asset is disposed off. Amortisation is being charged at the annual rate of 10% except for dark fiber which is being amortised at the annual rate of 5%.

The Group assesses at each balance sheet 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 income currently. 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.

4.5 Leases

The Group is the lessee:

Finance leases

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognised at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

When a sale and leaseback transaction results in a finance lease, any gain on the sale is deferred and recognised as income over the lease term. Any loss on the sale is immediately recognised as an impairment when the sale occurs.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight-line basis over the lease term.

4.6 Staff retirement benefits

The main features of the schemes operated by the Group for its employees are as follows:

(a) The Group operates an unfunded gratuity scheme for all employees according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for gratuity scheme was carried out as at June 30, 2016. Projected Unit Credit Method, using the following significant assumptions for valuation of the scheme:

- Discount rate 7.25 percent per annum (2015: 9.75 percent per annum)
- Expected rate of increase in salary level 6.25 percent per annum (2015: 8.75 percent per annum)
- Expected mortality rate as per SLIC (2001-2005) mortality table with one year setback
- Average duration of defined benefit obligation 6 years (2015: 6 years)

The Group's policy with regard to experience gains and losses is to recognize as they occur in other comprehensive income approach under IAS 19 'Employee Benefits'.

(b) The Group provides for accumulating compensated absences when the employees render service that increase their 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 income.

The latest actuarial valuation was carried out as at June 30, 2016. Projected Unit Credit Method, using the following significant assumptions is used for valuation of accumulating compensated absences:

- Discount rate	7.25% (2015 9.75%)
- Expected increase in salary	6.25% (2015: 8.75%)
- Expected mortality rate	As per SLIC (2001-2005) mortality table with one year setback

- Expected withdrawal and early retirement rate	Based on experience and age
- Average number of leaves accumulated per annum by employees	5 days (2015: 10 days)
- Average number of leaves utilized per annum by employees	15 days (2015: 10 days)

The Group's revised policy with regard to experience gains and losses is to recognize as they occur in other comprehensive income approach under IAS 19 'Employee Benefits'.

Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

4.7 Investment property

Property held to earn rentals or for capital appreciation or for both is classified as investment property. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at fair value.

The investment property of the Group has been valued by independent professionally qualified valuers as at June 30, 2016. The fair value of the investment property is based on active market prices.

If an item of property, plant and equipment becomes an investment property because its use has 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 the profit and loss account. 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 profit and loss account.

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.

4.8 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments in equity instruments of associates

Investments in equity instruments of associates and joint ventures are accounted for using the equity method of accounting as referred to in note 4.1 (b).

4.9 Financial instruments

4.9.1 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date i.e. the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of other income when the Group's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are reclassified from equity to profit and loss account as reclassification adjustment. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Group measures the investments at cost less impairment in value, if any.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.15.

4.9.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

4.9.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.10 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.

4.11 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

b) Transactions and balances

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 profit and loss account.

4.12 Revenue recognition

Licensee fee is charged on the basis of area leased out or respective gross turnover achieved by the principals who operate from Pace premises under agreements.

Service charges are recognised in the accounting period when in which services are rendered. When the Group is acting as agent, the commission rather than gross income is recorded as revenue.

Revenue from sale of land, condominiums, shops/counters and villas is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The significant risks and rewards of ownership are transferred to the buyer when following conditions are met:

- the buyers investment, to the date of the financial statements, is adequate to demonstrate a commitment to pay for the property;

- construction is beyond a preliminary stage;

- the buyer is committed. Buyer is unable to require a refund except, for non delivery of the unit. Management believes that the likelihood of the Group being unable to fulfill its contractual obligations for this reason is remote; and

- the buyer has the right to dispose off the property.

Revenue from sales agreements where the control and the significant risks and rewards of ownership of the work in progress are transferred by the Group to the buyer in its current state as construction progresses is measured using the percentage of completion method. The stage of completion is measured by reference to the costs incurred up to the balance sheet date as a percentage of total estimated costs for each project.

Revenue from sales agreements where significant risks and rewards are not passed on to the buyer as construction progresses are recognised when possession is handed over to the buyer and the Group does not expect any further future economic benefits from such property.

4.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs capitalised are net of any investment income on the temporary investment of borrowed funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.14 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, Group Director Finance, Chief Operating Officer and the Chief Financial Officer.

4.15 Trade debts

Trade debts and other receivables are recognised initially at invoice value, which approximates fair value, and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. 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. A provision for doubtful debts is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognised in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.16 Creditors, accruals and provisions

Creditors, accrued and other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. 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 balance sheet date and adjusted to reflect the current best estimate.

4.17 Non-current assets held for disposal

Non-current assets held for disposal are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell, with the exception of investment properties carried at fair value, if their carrying value is expected to be recovered principally through a sale transaction rather than continuing use.

4.18 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Finance cost is accounted for on an accrual basis and is included in creditors, accrued and other liabilities to the extent of the amount remaining unpaid.

4.19 Foreign currency convertible bonds

Foreign currency convertible bonds, containing an embedded derivative, are carried at fair value through profit or loss unless fair value cannot be reliably measured in which case they are measured at cost. Transaction costs and gain and loss arising due to foreign currency translations is charged to profit and loss account. The interest expense recognised in the income statement is calculated using the effective inertest rate method.

4.20 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, 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. In the balance sheet, short term finance is included in current liabilities.

5. Issued, subscribed and paid up capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
201,704,516	201,704,516	Ordinary shares of Rs 10 each fully paid in cash	**2,017,045**	2,017,045
77,172,088	77,172,088	Ordinary shares of Rs 10 each issued as fully paid bonus shares	**771,721**	771,721
278,876,604	278,876,604		**2,788,766**	2,788,766

5.1 Ordinary shares of the Holding Company held by associatedundertakings are as follows:

	Note	2015	2014
		(Rupees in thousand)	
First Capital Securities Corporation Limited		**7,504,915**	7,504,915
Al-Hoqani Securities & Investment Corporation (Private) Limited		**70,000**	-
		7,574,915	7,504,915

6. Long term finances - secured

	Note	2015	2014
Syndicate term finance facility	6.1	**-**	305,412
National Bank of Pakistan - term finance	6.2	**-**	39,780
Al Baraka Bank (Pakistan) Limited - musharika based agreement	6.3	**-**	242,292
Soneri Bank - demand finance	6.4	**27,422**	27,422
		27,422	614,906
Less: Current portion shown under current liabilities	13	**(27,422)**	(614,906)
		-	-

6.1 Syndicate term finance facility

The Holding Company has settled their principal and accrued mark up with properties at Pace Towers on following key terms:

National Bank of Pakistan

On December 04, 2015 National Bank of Pakistan ('NBP') and the Holding 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 as referred in note 6.2 along with their accrued markup aggregating to Rs 398.711 million against property situated at upper ground floor, mezzanine floor and basement of Pace Towers measuring 18,525 square feet. According to clause F of the SA, NBP purchased the aforementioned properties of Rs 332.113 million and waived accrued markup of Rs 66.598 million. Pursuant to the SA, on December 30, 2015 the Holding 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 Holding Company and NBP also agreed that NBP will continue to hold its charge on Pace Towers except for the podium level and later it will take over charge being vacated by PAIR Investment Company Limited as a result of settlements.

Habib Bank Limited

On December 16, 2015 Habib Bank Limited ('HBL') and the Holding Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('DSA') for settlement of HBL's portion of STFF along with the accrued markup aggregating to Rs 178.809 million against property situated at ground floor of Pace Towers and third floor of Pace Model Town (extension) measuring 4,238 square feet and 431 square feet respectively. In accordance with the DSA, HBL purchased the aforementioned properties form the Holding Company for a consideration of Rs 106.895 million and waived accrued markup of Rs 71.914 million. Pursuant to the DSA, on December 30, 2015, the Holding Company and HBL executed sale deed and possession of the properties was handed over to HBL. The Holding 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 Towers uptil the finishing work on aforementioned property in Pace Towers is complete.

6.2 National Bank of Pakistan - term finance

During the year NBP and the Holding Company settled the entire principal and accrued markup together with its portion of STFF against property situated at Pace Towers as referred to in Note 6.1.

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

On December 28, 2015 Al Baraka Bank (Pakistan) Limited ('ABBPL') and the Holding Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('DSAA') for settlement of entire principal along with the accrued markup aggregating to Rs 398.562 million against property situated at first floor of Pace Towers measuring 17,950 square feet. In accordance with the DSAA, ABBPL purchased the aforementioned properties form the Holding Company for a consideration of Rs 242.291 million and waived accrued markup of Rs 156.271 million. Pursuant to the DSAA, on December 30, 2015, the Holding Company and ABBPL executed sale deed and possession of the property was handed over to ABBPL. The Holding Company and ABBPL also agreed that ABBPL will continue to hold its charge over Pace Towers uptill completion certificate has been procured from Lahore Development Authority.

As a result of settlements as referred to in note 6.1, 6.2 and 6.3, the Holding Company recognized net gain of Rs 599.225 million as referred to in note 30 in accordance with guidance contained in IAS 39 "Recognition and measurement".

6.4 Soneri Bank - demand finance

Terms of repayment

This loan is part of total demand finance facility limit of Rs 44.688 Million (2015: Rs 44.688 Million) and carries markup @ 6 months KIBOR + 3% (2015: 6 months KIBOR + 3%). The loan was originally repayable in 8 equal quarterly installments ending on June 30, 2012.

Security

This facility is secured against a charge created on the land and building on Plot no. 41, Gulberg III, Industrial Area Lahore.

The Company is currently negotiating with the bank to settle the loan and markup through debt to asset swap. The proposal is in early stage and formal plan of the properties for settlement is to be decided by both the Company and the bank.

	Note	2016	2015
		(Rupees in thousand)	
7. Redeemable capital - secured (non-participatory)			
Term finance certificates		**1,498,200**	1,498,200
Less: Current portion shown under current liabilities	13	**(1,498,200)**	(1,498,200)
		-	-

Terms of repayment

This represents term finance certificates (TFC's) listed on Pakistan Stock Exchange issued for a period of 5 years. On September 27, 2010, the Holding 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 Holding Company and trustee 'IGI Investment Bank Limited' under which the Holding 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 August 15, 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (2015: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Holding Company is in negotiation with the trustee for relaxation in payment terms and certain other covenants.

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Holding 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.

	Note	2016	2015
		(Rupees in thousand)	
8. Liabilities against assets subject to finance lease			
Present value of minimum lease payments		**20,746**	23,614
Less: Current portion shown under current liabilities	13	**(20,746)**	(23,614)
		-	-

The minimum lease payments have been discounted at an implicit interest rate ranging from 9% to 15% (2015: 9% to 15%) to arrive at their present value. The lessee has the option to purchase the assets after the expiry of the lease term. Taxes, repairs and insurance costs are to be borne by the lessee. The liability is partly secured by a deposit of Rs 11.500 million (2015: Rs 11.500 million).

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Minimum lease payments	Future finance charge	Present value of lease liability (Rupees in thousand)	
			2016	**2015**
Not later than one year	23,056	2,310	**20,746**	23,614
Later than one year and not later than five years	-	-	**-**	-
	23,056	2,310	**20,746**	23,614

	Note	2016	2015
		(Rupees in thousand)	

9. Foreign currency convertible bonds - unsecured

	Note	2016	2015
Opening balance		**1,670,456**	1,606,458
Markup accrued during the year		**16,480**	16,007
		1,686,936	1,622,465
Exchange loss / (gain) for the year		**49,276**	47,991
		1,736,212	1,670,456
Less: Current portion shown under current liabilities	13	**(1,736,212)**	(1,670,456)
		-	-

The Holding Company issued 25,000 convertible bonds of USD 1,000 each on January 9, 2008 amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on December 28, 2012 at the accreted principal amount. The bonds carry a markup of 5.5% per annum, compounded semi-annually, accretive (up till December 28, 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds have an option to convert the bonds into equity shares of the Holding Company at any time following the issue date at a price calculated as per terms of arrangement. In aggregate USD 13 million bond have been converted into ordinary shares as at June 30, 2016.

As the fair value calculated for the embedded foreign exchange equity derivate and the financial instrument is quite subjective and cannot be measured reliably, consequently the bond has been carried at cost and includes accreted markup.

	Note	2016	2015
		(Rupees in thousand)	

10. Deferred liabilities

	Note	2016	2015
Staff gratuity	10.1	**35,376**	32,958
Leave encashment	10.2	**2,902**	2,637
		38,278	35,595

10.1 Staff gratuity

	Note	2016	2015
Opening balance		**32,958**	32,041
Charge to profit and loss account	10.1.1	**10,122**	10,915
Benefits due during the year		**(4,487)**	(7,895)
Remeasurement chargeable in 0ther comprehensive income		**(3,217)**	(2,103)
Liability as at June 30		**35,376**	32,958

The movement in the present value of defined benefit obligation is as follows:

	2016	2015
Opening balance	**32,958**	32,041
Service cost	**7,127**	7,193
Interest cost	**2,995**	3,722
Benefits due during the year	**(4,487)**	(7,895)
Remeasurement chargeable in 0ther comprehensive income	**(3,217)**	(2,103)
Present value of defined benefit obligation as at June 30	**35,376**	32,958

The amounts recognised in the profit and loss account are as follows:

	2016	2015
Service cost	**7,127**	7,193
Interest cost	**2,995**	3,722
Charge to profit and loss account	**10,122**	10,915

	2016	2015
	(Rupees in thousand)	

10.1.1 Charge for the year has been allocated as follows:

	2016	2015
Cost of sales	**1,316**	1,400
Administrative, general and other expenses	**8,806**	9,515
	10,122	10,915

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund is as follows:

	2016	2015	2014	2013	2012
	(Rupees in thousand)				
Present value of defined benefit obligation	**35,376**	32,958	32,041	23,183	28,523
Fair value of plan assets	**-**	-	-	-	-
Deficit	**(35,376)**	(32,958)	(32,041)	(23,183)	(28,523)
Experience adjustment on obligation	**-9%**	6%	-15%	-20%	-2%

	2016	2015
	(Rupees in thousand)	

10.2 Leave encashment

The amounts recognised in the balance sheet are as follows:

	2016	2015
Opening balance	**2,637**	2,613
Charge to profit and loss account	**318**	512
Benefits due during the year	**-**	(1,127)
Remeasurement chargeable in 0ther comprehensive income	**(53)**	639
Liability as at June 30	**2,902**	2,637

Year end sensitivity on defined benefit obligation:

	2016	2015
Discount rate + 100 bps	**33,353**	2,749
Discount rate - 100 bps	**37,679**	3,074
Salary increase + 100 bps	**37,777**	3,064
Salary increase - 100 bps	**33,225**	2,756

11. Deferred taxation

The liability for deferred taxation comprises temporary differences relating to:

	2016	2015
Accelerated tax depreciation	**229,947**	257,986
Employee retirement benefits	**(20,996)**	(19,633)
Provision for doubtful receivables	**(41,748)**	(43,069)
Deferred cost	**(131)**	(146)
Unused tax losses	**(167,072)**	(195,138)
Investment in associate	**57,117**	44,941
	57,117	44,941

	Note	2016	2015
		(Rupees in thousand)	

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

	Note	2016	2015
Opening balance		**44,941**	42,676
Provision /(income) for the year	33	**12,176**	2,265
Closing balance		**57,117**	44,941

11.1 Deferred tax asset on tax losses available for carry forward and those representing minimum tax paid available for carry forward u/s 113 and 113C of the Income Tax Ordinance, 2001 are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. The Group has not recognised deferred tax assets of Rs 964.943 million (2015: Rs 1,118.598 million) in respect of tax losses and Rs 67.982 million (2015: Rs 7.758 million) in respect of minimum tax paid and available for carry forward u/s 113 and 113C of the Income Tax Ordinance, 2001, as sufficient tax profits would not be available to set these off in the foreseeable future. Minimum tax paid u/s 113 and 113C aggregating to Rs 67.982 million would not be available for carry forward against future tax liabilities subsequent to years 2017 through 2021. Tax losses amounting to Rs 852.865 million, Rs 788.658 million, Rs 535.643 million Rs 279.825 million and Rs 304.986 million will expire in year 2017, 2018, 2019, 2020 and 2021 respectively.

12. Advances against sale of property

This principally represents advances received from various parties against sale of apartments and houses in Pace Towers project, Lahore and its breakup at June 30, 2016 is as follows:

	Note	2016	2015
		(Rupees in thousand)	
SilkBank Limited	12.1	**-**	108,440
First Capital Investment Limited - related party		**16,783**	15,250
First Capital Securities Corporation Limited - related party		**34,739**	43,675
Others		**57,010**	65,568
		108,532	232,933

12.1 A Tri Party Agreement (the 'Agreement') was signed during the year by the Holding Company, Pace Barka Properties Limited ('PBPL'), and SilkBank Limited ('SBL') whereby the SBL purchased property on lower ground floor at Pace Towers from the Holding Company at an agreed price of Rs 108.440 million and adjusted the proceeds with its outstanding principal and markup from PBPL on a condition that Holding Company will complete the finishing work of the aforementioned property within one year from the Agreement's date. SBL has taken over the possession of the property on date of the Agreement. The Holding Company shall recognize the revenue when condition laid in the Agreement, including, completion of finishing works are completed.

13. Current portion of long term liabilities

	Note	2016	2015
		(Rupees in thousand)	
Current portion of long term finances - secured	6	**27,422**	614,906
Current portion of redeemable capital - secured (non-participatory)	7	**1,498,200**	1,498,200
Current portion of liabilities against assets subject to finance lease	8	**20,746**	23,614
Current portion of foreign currency convertible bonds - unsecured	9	**1,736,212**	1,670,456
		3,282,580	3,807,176

13.1 Overdue principal included in current maturity as at June 30, 2016 are as follows:

	2016	2015
	(Rupees in thousand)	
Long term finances - secured:		
- Syndicate term finance facility	-	305,413
- National Bank of Pakistan- term finance	-	39,780
- Soneri Bank - demand finance	27,422	27,422
- Al Baraka Bank (Pakistan) Limited - musharika based agreement	-	242,291
Redeemable capital - secured (non-participatory)	1,198,660	899,160
Foreign currency convertible bonds - unsecured	1,736,212	1,670,456
Liabilities against assets subject to finance lease	9,246	12,114
	2,971,540	3,196,636

14. Short term finance - Secured

This represents short term finance of Rs 96.443 million (2015: Rs 96.443 million) provided by PAIR Investment Holding Company Limited (formerly Pak-Iran Joint Investment Holding Company Limited) and carries markup @ 1 month KIBOR + 3.5% (2015: 1 months KIBOR + 3.5%). The entire amount of loan is overdue as at June 30, 2016.

Security

The facility is secured by creation of mortgage amounting to the sum of Rs 142.857 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.

During the year end, the PAIR Investment Company Limited (PAIR) has offered, which the Holding Company has accepted to settle and restructure the entire principal and accrued mark up as follows:

-Settlement of Rs 138.750 million inclusive of mark up of Rs 42.307 million against the properties at mezzanine floor and basement of Pace Towers measuring a total of 6,000 square feet and PAIR to vacate its charge to the extent of Rs 120.85 million on MM Alam plaza.

-Restructuring of Rs 15.950 million on the following terms:

--Repayment in 20 equal installments starting from September 01, 2017.
--Amount of loan will be secured against charge at MM Alam plaza with 25% Margin.

Legal documentation has not been finalized with PAIR as at year end.

15. Creditors, accrued and other liabilities

	Note	2016	2015
		(Rupees in thousand)	
Trade creditors	15.1	158,091	143,113
Payable against return of properties sold		131,000	-
Advances from customers		8,412	8,141
Licensee fee received in advance		4,133	4,066
Accrued liabilities		88,628	75,281
Licensee security deposits		31,459	27,731
Payable to contractors		2,699	2,699

	2015	2014
	(Rupees in thousand)	
Retention money	**2,136**	1,326
Withholding tax payable	**36,437**	27,301
Others	**29,214**	34,477
	492,209	327,135

15.1 This includes amount of Rs 0.035 million (2015: Rs.0.657 millino) payable to Pace Barka Properties Limited, a related party. This is under normal course of business and interest free.

	Note	2016	2015
		(Rupees in thousand)	
16. Accrued finance cost			
Long term finances - secured	16.1	**20,179**	436,671
Short term finance - secured	16.2	**71,134**	61,386
Redeemable capital - secured (non-participatory)	16.3	**976,487**	841,737
Liabilities against assets subject to finance lease	16.4	**32,111**	28,281
		1,099,911	1,368,075

16.1 This includes overdue markup of Rs 19.529 million (2015: Rs 416.838 million).

16.2 This includes overdue markup of Rs 70.723 million (2015: Rs 60.951 million).

16.3 This includes overdue markup of Rs 929.819 million (2015: Rs 783.609 million).

16.4 This includes overdue markup of Rs 2.310 million (2015: Rs 2.310 million) and late payment charges of Rs 29.815 million (2015: Rs 25.983 million).

17. Contingencies and commitments

17.1 Contingencies

(i) Claims against the Company not acknowledged as debts Rs 21.644 million (2015: Rs 21.644 million).

(ii) Corporate guarantee on behalf of Pace Barka Properties Limited, an associate, in favour of The Bank of Punjab, amounting to Rs 900 million (2015: Rs 900 million) as per the approval of shareholders through the special resolution dated July 29, 2006.

17.2 Commitments

(i) Contract for purchase of properties from Pace Barka Properties Limited, amounting to Rs 211.218 million (2015: Rs 271.946 million).

(ii) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Note	2016	2015
		(Rupees in thousand)	
Not later than one year		**7,875**	7,875
Later than one year and not later than five years		**41,836**	37,406
Later than five years		**720,139**	732,444
		769,850	777,725

18. Property, plant and equipment

Operating fixed assets			
- owned assets	18.1	**425,438**	431,957
- assets subject to finance lease	18.2	**381**	475
Capital work in progress	18.3	**27,544**	27,146
		453,363	459,578

18.1 Owned assets

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ transfers/ (deletions)	Transfers from assets subject to finance lease	Cost as at June 30, 2016	Accumulated depreciation as at June 30, 2015	Depreciation & impairment charge for the year/ (deletions)	Transfers from assets subject to finance lease	Accumulated depreciation & impairment as at June 30, 2016	Book value as at June 30, 2016	Depreciation rate
Freehold land *	155,152	-	-	155,152	-	-	-	-	155,152	
Leasehold land **	-	-	-	-	-	-	-	-	-	
Buildings on freehold land	179,470	-	-	179,470	59,753	5,986	-	65,739	113,731	5%
Buildings on leasehold land ***	179,121	-	-	179,121	109,948	4,170	-	114,118	65,003	3%
Plant and machinery	81,171	-	-	78,695	57,570	2,350	-	58,549	20,146	10%
		(2,476)				(1,371)				
Electrical equipment	77,882	16,706	-	94,588	41,643	4,751	-	46,394	48,194	10%
Office equipment and appliances	11,683	-	-	11,683	8,110	357	-	8,467	3,216	10%
Furniture and fixtures	11,784	-	-	11,784	6,984	480	-	7,464	4,320	10%
Computers	9,836	104	-	9,940	9,134	263	-	9,397	543	33%
Vehicles	53,204	-	-	52,732	34,204	3,794	-	37,599	15,133	20%
		(472)				(399)				
	759,303	16,810	-	773,165	327,346	22,151	-	347,727	425,438	
		(2,948)				(1,770)				

2015

	Cost as at June 30, 2014	Additions/ transfers/ (deletions)	Transfers from assets subject to finance lease	Cost as at June 30, 2015	Accumulated depreciation as at June 30, 2014	Depreciation & impairment charge for the year/ (deletions)	Transfers from assets subject to finance lease	Accumulated depreciation & impairment as at June 30, 2015	Book value as at June 30, 2015	Depreciation rate
Freehold land *	155,152	-	-	155,152	-	-	-	-	155,152	
Leasehold land **	-	-	-	-	-	-	-	-	-	
Buildings on freehold land	179,470	-	-	179,470	53,452	6,301	-	59,753	119,717	5%
Buildings on leasehold land ***	205,322	-	-	179,121	120,311	4,637	-	109,948	69,173	3%
		(26,201)				(15,000)				
Plant and machinery	81,171	-	-	81,171	54,948	2,622	-	57,570	23,601	10%
Electrical equipment	75,844	2,038	-	77,882	37,843	3,800	-	41,643	36,239	10%
Office equipment and appliances	11,683	-	-	11,683	7,713	397	-	8,110	3,573	10%
Furniture and fixtures	11,784	-	-	11,784	6,451	533	-	6,984	4,800	10%
Computers	9,585	251	-	9,836	8,855	279	-	9,134	702	33%
Vehicles	45,602	7,973	4,518	53,204	30,834	3,758	3,125	34,204	19,000	20%
		(4,889)				(3,513)				
	775,613	10,262	4,518	759,303	320,407	22,327	3,125	327,346	431,957	
		(31,090)				(18,513)				

* Freehold land represents the uncovered area of Main Boulevard Project, MM 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 holding 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 holding 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 holding Company. Consequently, to avoid additional transaction costs relating to transfer of legal ownership, the holding 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 May 15, 2007.

*** Building on leasehold land represents 8,227 square feet (2015: 8,227 square feet) relating to 2nd and 3rd floors of Fortress Project, Lahore the right of which has been acquired for 33 years in 2011 from Fortress Stadium management, Lahore Cantt.

		June 2016	June 2015
		(Rupees in thousand)	

18.1.1 The depreciation charge for the year has been allocated as follows:

		June 2016	June 2015
Cost of sales	- note 28.3	12,495	12,327
Administrative and selling expenses	- note 29	9,656	10,000
		22,151	22,327

18.1.2 Disposal of owned assets

(Rupees in thousand)

Particular of Assets	Sold to	Cost	Accumulated depreciation	Sale proceeds	Mode of Disposal
Plant & Machinery	**Related Party**				
	Pace Barka Properties Limited	2,476	1,371	6,000	- Negotiation -
Vehicles	**Related Party**				
	Pace Barka Properties Limited	472	399	406	- Negotiation -
		2,948	1,770	6,406	

18.2 Assets subject to finance lease

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ (transfers)	Cost as at June 30, 2016	Accumulated depreciation as at June 30, 2015	Depreciation charge for the year / (transfers)	Accumulated depreciation as at June 30, 2016	Book value as at June 30, 2016	Depreciation rate
Vehicles	1,395	-	1,395	920	94	1,014	381	20%
Plant and machinery	57,500	- -	57,500	57,500	- -	57,500	-	33%
	58,895	- -	58,895	58,420	94 -	58,514	381	

2015

	Cost as at June 30, 2014	Additions/ (transfers)	Cost as at June 30, 2015	Accumulated depreciation as at June 30, 2014	Depreciation charge for the year / (transfers)	Accumulated depreciation as at June 30, 2015	Book value as at June 30, 2015	Depreciation rate
Vehicles	5,913	- (4,518)	1,395	3,799	246 (3,125)	920	475	20%
Plant and machinery	57,500	-	57,500	57,500	-	57,500	-	33%
	63,413	- (4,518)	58,895	61,299	246 (3,125)	61,545	475	

18.2.1 The depreciation charge for the year has been allocated to administrative and selling expenses.

18.3 Capital Work in progress

		June 2016	June 2015
		(Rupees in thousand)	
Opening cost		27,146	135,341
Project development costs	- note 28.1	398	1,273
Transfer to inventory		-	(109,468)
		27,544	27,146

This represents the 3rd floor measuring 4,170 (2015: 4,170) square feet of Pace Towers located at 27 H Gulberg III Lahore, which the Group intends to retain for its own use. This also includes borrowing costs of Rs 5.035 million (2015: Rs 5.039 million).

19 Intangible assets

(Rupees in thousand)

2016

	Cost as at June 30, 2015	Additions/ (deletions)	Cost as at June 30, 2016	Accumulated amortisation as at June 30, 2015	Amortisation charge for the year	Accumulated amortisation as at June 30, 2016	Book value as at June 30, 2016
Softwares	2,878	-	2,878	2,332	55	2,387	491
Dark fiber *	9,508	-	9,508	3,445	475	3,920	5,588
	12,386	-	12,386	5,777	530	6,307	6,079

2015

	Cost as at June 30, 2014	Additions/ (deletions)	Cost as at June 30, 2015	Accumulated amortisation as at June 30, 2014	Amortisation charge for the year	Accumulated amortisation as at June 30, 2015	Book value as at June 30, 2015
Softwares	2,878	-	2,878	2,271	61	2,332	546
Dark fiber *	9,508	-	9,508	2,970	475	3,445	6,063
	12,386	-	12,386	5,241	536	5,777	6,609

* This represents purchase of right to use optical fiber at Group's properties for 20 years from Worldcall Telecom Limited.

19.1 The amortisation charge for the year has been allocated to administrative and selling expenses.

20. Investment Property

	Cost as at June 30,		Fair Value as at June 30,	
	2016	2015	2016	2015
	(Rupees in thousand)			
Opening value	1,701,343	1,715,380	3,421,430	3,370,166
- Settlement against loan	(5,376)	-	(7,328)	-
- Disposal of investment property	(92,333)	(14,037)	(73,810)	(25,736)
Closing value before revaluation as at June 30	1,603,634	1,701,343	3,340,292	3,344,430
Fair value gain recognised in profit and loss account	-	-	29,410	77,000
Fair value as at June 30	1,603,634	1,701,343	3,369,702	3,421,430

	Note	2016	2015
		(Rupees in thousand)	
21. Long term investments			
Associate - unquoted			
Pace Barka Properties Limited			
75,875,000 (2015: 75,875,000) fully paid ordinary shares of Rs 10 each			
Equity held 24.9% (2015: 24.9%)	21.1	**1,154,888**	1,191,129
Available for sale - quoted	21.2	**784**	1,007
		1,155,672	1,192,136

21.1 Associate - unquoted

	2016	2015
Cost	**758,651**	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognised directly in profit and loss account	**432,478**	409,829
	1,191,129	1,168,480
Share of movement in reserves during the year	**16,882**	17,085
Share of profit for the year		
- before taxation	**(55,387)**	7,394
- provision for taxation	**2,264**	(1,830)
	(53,123)	5,564
Balance as on June 30	**1,154,888**	1,191,129

21.1.1 The Group's share of the assets, liabilities and result of its associate, incorporated in Pakistan is as follows:

	Percentage Interest held	Assets	Liabilities	Revenues	(Loss) / profit
		(Rupees in thousands)			
June 2016					
Pace Barka Properties Limited	**24.86%**	**1,558,718**	**342,961**	**79,389**	**(53,123)**
June 2015					
Pace Barka Properties Limited	24.86%	1,525,611	317,378	114,909	5,564

	Note	2016	2015
		(Rupees in thousand)	
21.2 Available for sale - quoted			
Worldcall Telecom Limited			
912 (2015: 912) fully paid ordinary shares of Rs 10 each		**6**	6
Shaheen Insurance Company Limited			
158,037 (2015: 158,037) fully paid ordinary shares of Rs 10 each		**2,008**	2,008
		2,014	2,014
Less: Cumulative fair value loss	21.2.1	**(1,230)**	(1,007)
		784	1,007

21.2.1 Cumulative fair value loss

	2016	2015
Opening balance	**1,007**	1,056
Fair value loss / (gain) during the year	**223**	(49)
As at June 30	**1,230**	1,007

22. Long term advances and deposits

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

23. Stock-in-trade

	Note	2016	2015
		(Rupees in thousand)	
Work in process - Pace Towers	23.1&23.2	**838,872**	1,243,560
Shops and houses		**316,973**	316,973
Pace Barka Properties Limited - Pace Circle		**624,123**	602,459
Pace Supermall (Private) Limited		**354,600**	354,600
		2,134,568	2,517,592
Stores inventory		**1,581**	842
		2,136,149	2,518,434

23.1 Included in work in process are borrowing costs of Rs 202.661 million (2015: Rs 350.451 million). During the year borrowing cost capitalized was Nil (2015: Rs 64.346 million).

23.2 The charge amounting to Rs 1,200.5 million (2015: Rs 1,200.5 million) has been registered against work in process with lenders as security against long term loan and redeemable capital as referred to in note 6 and note 7 respectively.

	Note	2016	2015
		(Rupees in thousand)	
24. Trade debts - unsecured			
Considered good	24.1	**647,792**	676,483
Considered doubtful		**130,463**	130,513
		778,255	806,996
Less: Provision for doubtful debts	24.2	**(130,463)**	(130,513)
		647,792	676,483

24.1 This includes Rs 6.681 million (2015: Rs 6.681 million) interest free amount due from First Capital Securities Corporation Limited, a related party.

	Note	2016	2015
		(Rupees in thousand)	
24.2 Provision for doubtful debts			
Opening balance		**130,513**	133,519
(Reversal)/provision during the year	30	**(50)**	(3,006)
Balance as at June 30		**130,463**	130,513

	Note	2016	2015
25. Advances, deposits, prepayments and other receivables			
Advances - considered good			
- to employees		**11,348**	7,625
- to suppliers	25.1	**13,606**	15,197
Security deposits		**19,775**	12,896
Advances to contractors		**921**	5,921
Receivable against sale of investment property	25.2	**73,935**	13,138
Others - considered good	25.3	**32,352**	32,614
		151,937	87,391

25.1 This includes the following interest free amounts due from related parties:

	2016	2015
Media Times Limited	**-**	6,295
World Press (Private) Limited	**429**	2,010
	429	8,305

25.2 This includes Rs 71.479 million (2015: Nil) interest free amount due from Ever Green Water Valley (Private) Limited, a related party.

25.3 This includes Rs 10.485 million (2015: Rs 10.684 million) interest free amount due from Media Times Limited, a related party.

26. Cash and bank balances

	Note	2016	2015
		(Rupees in thousand)	
At banks			
- in saving accounts	26.1 & 26.2	**544**	359
- in current accounts		**184**	896
		728	1,255

26.1 The balances in saving accounts bear markup ranging from 3% to 6% per annum (2015: 5% to 12%).

26.2 This includes Rs 0.006 million (2015: Rs 0.006 million) placed in Debt Servicing Reserve Account of National Bank of Pakistan.

27. Sales

	2016	2015
	(Rupees in thousand)	
Shops / apartments and commercial buildings		
- at percentage of completion basis	**101,551**	67,379
- at completion of project basis		
-- Owned	**108,440**	44,634
-- Pace Circle	**65,901**	58,077
Licensee fee	**41,951**	38,075
Display advertisements and miscellaneous income	**16,952**	17,513
Service charges	**185,746**	187,526
	520,541	413,204

27.1 Sales return

This represents reversal of sales of commercial floor recognized on percentage of completion basis, against which sale agreement has been cancelled as per mutual understanding of the buyer and the Company.

27.2 Sales recognised at percentage of completion basis

	2016	2015
	(Rupees in thousand)	
Revenue recognised to date	**720,540**	722,599
Aggregate cost incurred to date	**(632,483)**	(624,296)
Recognised profit to date	**88,057**	98,303

27.2.1 The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the year is Rs 101.551 million (2015: Rs 67.379 million). Amount received against these agreements amounts to Rs 96.296 million (2015: Rs 154.017 million).

28. Cost of sales

	Note	2016	2015
		(Rupees in thousand)	
Shops / apartments and commercial buildings sold			
- at percentage of completion basis	28.1	**7,980**	69,386
- at completion of project basis			
-- Owned	28.2	**64,375**	23,871
-- Pace circle		**39,064**	34,728
Plots sold		**-**	-
Stores operating expenses	28.3	**257,312**	279,908
		368,731	407,893

	Note	2016	2015
		(Rupees in thousand)	
28.1 Shops / apartments and commercial buildings sold at percentage of completion basis			
Opening work in process		**1,243,560**	1,134,710
Transfer from capital work in progress	18.3	**-**	109,468
Project development costs	28.1.1	**67,780**	88,415
Property sold on completion basis	28.1.2	**(64,375)**	(19,647)
Property settled against loans	28.1.3	**(400,113)**	-
Closing work in process	23	**(838,872)**	(1,243,560)
Cost of shops / apartments and commercial buildings sold during the year	28.1.4	**7,980**	69,386

28.1.1 This includes borrowing cost of Nil (2015: Rs 64.346 million).

28.1.2 This represents cost of completed property sold from Pace Towers project to Silkbank Limited as referred to in note 11.1. No further costs are to be incurred in respect of this property.

28.1.3 This represents aggregate cost of completed properties in Pace Towers project which have been transferred to the lenders against settlement of loans as referred to in notes 6.1, 6.2 and 6.3. No further costs are to be incurred in respect of these properties.

	Note	2016	2015
		(Rupees in thousand)	
28.1.4 Cost of shops / apartments and commercial buildings sold during the year			
Cost of shops / apartments and commercial buildings sold during the year		**105,507**	69,386
Cost of shops / apartments and commercial buildings returned during the year		**(97,527)**	-
		7,980	69,386
28.2 Shops / apartments and commercial buildings sold at completion of project basis			
Opening inventory of shops and houses		**316,973**	283,816
Repurchased / swapped during the year		**-**	37,381
Property sold on completion basis from Pace Towers	28.1.2	**64,375**	19,647
Closing inventory of shops and houses	23	**(316,973)**	(316,973)
		64,375	23,871
28.3 Stores operating expenses			
Salaries, wages and benefits	28.3.1	**54,135**	49,334
Rent, rates and taxes	28.3.2	**10,552**	12,091
Insurance		**7,932**	15,577
Fuel and power		**126,149**	145,339
Depreciation on owned assets	18.1.1	**12,495**	12,327
Repairs and maintenance		**8,913**	13,600
Janitorial and security charges		**18,893**	18,198
Others		**18,243**	13,442
		257,312	279,908

	2016	2015
	(Rupees in thousand)	
28.3.1 Salaries, wages and benefits include following in respect of gratuity:		
Current service cost	**927**	923
Interest cost	**389**	477
	1,316	1,400

28.3.2 This is net of Rs 3.12 million (2015: Rs 2.64 million), which represents common costs charged by the Holding Company to Pace Barka Properties Limited, a related party.

29. Administrative and selling expenses

	Note	2016	2015
		(Rupees in thousand)	
Salaries, wages and benefits	29.1	**54,003**	45,074
Travelling and conveyance		**3,114**	2,598
Rent, rates and taxes		**667**	714
Insurance		**2,424**	3,467
Printing and stationery		**1,388**	1,910
Repairs and maintenance		**8,058**	3,724
Motor vehicles running		**5,582**	7,946
Communications		**3,771**	4,471
Advertising and sales promotion		**21,541**	19,337
Depreciation on:			
- property, plant and equipment	18.1.1	**9,656**	10,000
- assets subject to finance lease	18.2.1	**94**	246
Amortisation on intangible assets	19.1	**530**	536
Auditors' remuneration	29.2	**3,520**	3,895
Legal and professional		**19,123**	4,488
Commission on sales		**30,310**	20,956
Office expenses		**5,615**	5,222
Other expenses		**8,756**	3,231
		178,152	137,815

29.1 Salaries, wages and benefits include following in respect of gratuity:

	2016	2015
Current service cost	**6,200**	6,270
Interest cost	**2,605**	3,245
	8,805	9,515

29.2 Auditors' remuneration

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

	2016	2015
Statutory audit		
- Parent	**1,700**	1,950
- Subsidiaries	**275**	275
Half yearly review	**600**	650
Audit of consolidated financial statements, certification and sundry services	**500**	600
Out of pocket expenses		
- Parent	**425**	400
- Subsidiaries	**20**	20
	3,520	3,895

	Note	2016	2015
		(Rupees in thousand)	
30. Other income			
Income from financial assets			
Markup on bank accounts		**493**	259
Commission on guarantee	30.1	**1,238**	1,238
Income from non-financial assets			
Gain on sale of property, plant and equipment		**5,228**	1,219
Rental income		**10,636**	9,663
Scrap sales		**808**	2,444
Gain on disposal of investment property		**39,730**	4,275
Others			
Gain on settlement of loans	6	**599,225**	-
Income from parking and storage		**6,799**	7,390
Liabilities no longer required written back		**6,519**	-
Reversal of provision for doubtful debts	24.2	**50**	3,006
Income from counters and stalls		**2,312**	2,855
		673,038	32,349

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

	Note	2016	2015
		(Rupees in thousand)	
31. Other operating expenses			
Exchange loss on foreign currency convertible bonds	9	**49,276**	47,991
Loss on swap of shops		**-**	1,546
		49,276	49,537
32. Finance costs			
Markup on			
- Long term finances - secured		**2,688**	34,521
- Foreign currency convertible bonds - unsecured		**16,480**	8,481
- Redeemable capital - secured (non-participatory)		**134,750**	166,565
- Short term finance -secured		**9,748**	12,469
- Liabilities against assets subject to finance lease		**3,831**	5,737
		167,497	227,773
Bank charges and processing fee		**1,759**	2,578
		169,256	230,351

	Note	2016	2015
		(Rupees in thousand)	

33. Taxation

	Note	2016	2015
Current	33.1	**60,224**	4,132
Deferred		**12,176**	2,265
		72,400	6,397

33.1 The provision for current taxation for the year represents the tax liability under section 113C of the Income Tax Ordinance, 2001.

33.2 Tax charge reconciliation

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

	2016	2015
	Percentage	
Applicable tax rate	**32.00**	33.00
Tax effect of amounts that are:		
Income not chargeable to tax	**(0.23)**	6.61
Minimum tax for the year	**17.48**	(1.39)
Associate results reported net of tax	**3.95**	(0.14)
Effect of income taxed at reduces rates	**-**	-
Effect of deferred tax asset not recognised on taxable loss	**(32.19)**	(40.23)
	(10.99)	(35.15)
Average effective tax rate charged to profit and loss account	**21.01**	(2.15)

For the purposes of current taxation, the tax losses available for carry forward as at June 30, 2016 are estimated approximately at Rs 3,517.791 million (2015: Rs 3,921.719 million).

34. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to the directors and executives of the Group are as follows:

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Short term employee benefits						
Managerial remuneration	**3,400**	3,400	**1,600**	1,838	**6,350**	8,221
Housing	**1,360**	1,360	**640**	735	**2,540**	3,289
Utilities	**340**	340	**160**	184	**635**	822
	5,100	5,100	**2,400**	2,757	**9,525**	12,332

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
Number of persons	**1**	1	**2**	2	**8**	11

The Group also provides its executives and some of its directors with free transport.

	Note	2016	2015
		(Rupees in thousand)	

35. Cash generated from operations

	Note	2016	2015
Profit / (loss) before tax		**300,841**	(297,503)
Adjustment for:			
Exchange loss on foreign currency convertible bonds	9	**49,276**	47,991
Provision for gratuity and leave encashment	10	**10,440**	11,427
Depreciation and impairment on:			
- owned assets	18.1	**22,151**	22,327
- assets subject to finance lease	18.2	**94**	246
Amortisation on intangible assets	19	**530**	536
Changes in fair value of investment property	20	**(29,410)**	(77,000)
Share of profit from associate	21	**53,123**	(5,564)
Reversal for doubtful receivables	24.2	**(50)**	(3,006)
Gain on sale of property, plant and equipment	30	**(5,228)**	(1,219)
Gain on sale of investment property	30	**(39,730)**	(4,275)
Markup income	30	**(493)**	(259)
Liabilities no longer required written back	30	**(6,519)**	-
Loss on swap of shops	31	**-**	1,546
Gain on settlement of loans	30	**(599,225)**	-
Finance costs	32	**167,497**	230,375
Loss before working capital changes		**(76,703)**	(74,378)
Effect on cash flow due to working capital changes:			
Increase in stock-in-trade		**(17,828)**	(31,380)
Decrease / (increase) in trade debts		**28,741**	(42,710)
Decrease in advances, deposits and other receivables		**6,935**	6,278
Net decrease / (increase) in advances against sale of property		**(124,402)**	100,255
Increase in creditors, accrued and other liabilities		**168,156**	51,557
		61,602	84,000
		(15,101)	9,622

36. Cash and cash equivalents

	Note	2016	2015
Short term finance - secured	14	**(96,443)**	(96,443)
Cash and bank balances	26	**728**	1,255
		(95,715)	(95,188)

37. Operating Segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit/loss and reduction in operating costs.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. CODM assesses the performance of the operating segments based on a measure of gross profit/loss and segment assets. Unallocated items include corporate assets and liabilities.

The Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

37.1 For management purposes, the activities of the Group are organised into business units based on the nature of activities:

(a) Real estate

This segment relates to the sale of land, condominiums, shops/counters and villas. This also includes sale of Pace Towers on percentage of completion basis.

(b) Investment properties

The segment relates to the properties held to earn rentals or for capital appreciation or for both.

(c) Others

Businesses that individually do not meet the criteria of a reportable segment as per IFRS - 8, "Operating Segments".

37.2 Segment information

(Rupees in thousand)

	Real estate sales		Investment properties		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Segment revenue	172,282	170,090	41,951	38,075	202,698	205,039	416,931	413,204
Segment expenses - Cost of sales	111,419	127,985	44,122	43,837	213,190	236,071	368,731	407,893
Gross profit / (loss)	60,863	42,105	(2,171)	(5,762)	(10,492)	(31,032)	48,200	5,311
Changes in fair value of investment property	-	-	29,410	77,000	-	-	29,410	77,000
Segment results	60,863	42,105	27,239	71,238	(10,492)	(31,032)	77,610	82,311
Administrative and selling expenses							(178,152)	(137,815)
Other income							673,038	32,349
Finance costs							(169,256)	(230,375)
Other operating expenses							(49,276)	(49,537)
Share of profit from associate - net of tax							(53,123)	5,564
Profit / (loss) before tax							300,841	(297,503)
Taxation							(72,400)	(6,397)
Profit / (loss) for the year							228,441	(303,900)
37.2.1 Segment assets	2,784,862	3,200,838	3,369,702	3,421,430	-	-	6,154,564	6,622,268
Unallocated assets							1,789,122	1,810,276
							7,943,686	8,432,544
37.2.2 Segment liabilities	3,347,779	3,445,394	31,459	27,731	-	-	3,379,238	3,473,125
Unallocated liabilities							1,801,366	2,444,707
							5,180,604	5,917,832
37.2.3 Capital expenditure	-	-	-	-	-	-	-	-
Unallocated							17,208	11,535
							17,208	11,535
37.2.4 Depreciation/amortisation	-	-	-	-	-	-	-	-
Unallocated							22,775	23,109
							22,775	23,109

38. Financial risk management

38.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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:

	2016	2015
	(Rupees in thousand)	
Foreign currency convertible bonds - USD	**16,582,729**	16,425,331

The following significant exchange rates were applied during the year:

Rupees per USD		
Average rate	**104.30**	101.70
Reporting date rate	**104.70**	101.70

If the functional currency, at reporting date, had weakened/strengthened by 5% against the USD with all other variables held constant, post-tax loss for the year would have been Rs 72.806 million (2015: Rs 83.604 million) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

Other price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity price risk since the investments in listed equity securities are immaterial.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group 's interest rate risk arises from deposits in saving accounts with various commercial banks. Long term financing obtained at variable rates also expose the Group to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the Group's interest bearing financial instruments was:

	2016	2015
	(Rupees in thousand)	
FIXED RATE INSTRUMENTS		
Financial assets		
Bank balances - savings accounts	**(544)**	(359)
Financial liabilities		
Foreign currency convertible bonds - unsecured	**1,736,212**	1,670,456
Net interest rate risk	**1,735,668**	1,670,097
FLOATING RATE INSTRUMENTS		
Financial liabilities		
Redeemable capital - secured (non-participatory)	**1,498,200**	1,498,200
Liabilities against assets subject to finance lease	**20,746**	23,614
Short term finance - secured	**96,443**	96,443
Long term finances - secured	**27,422**	614,906
Net interest rate risk	**1,642,811**	2,233,163

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date does not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on redeemable capital, liabilities against assets subject to finance lease, term finances and short term finances, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, post tax loss for the year would have been Rs 9.567 million (2015: Rs 22.346 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group's credit risk is primarily attributable to its trade debts, advances against purchase of property and its balances at banks.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016	2015
	(Rupees in thousand)	
Long term advances and deposits	**14,250**	13,619
Trade debts - unsecured	**778,255**	806,996
Advances, deposits, prepayments and other receivables		
- Advances to employees - considered good	**11,348**	7,625
- Security deposits	**19,775**	12,896
- Others - considered good	**32,352**	32,614
Cash and bank balances	**728**	1,255
	856,708	875,005

The age of trade debts at balance sheet date is as follows:

	2016	2015
- Not past due	**-**	-
- Past due 0 - 365 days	**118,685**	104,152
- 1 - 2 years	**353,164**	310,861
- More than 2 years	**306,104**	391,983
	778,255	806,996

The age of related party trade debt at balance sheet date is as follows:

	2016	2015
First Capital Securities Corporation Limited		
- More than 2 years	**6,681**	6,681

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Furthermore, the Group transfers the legal title of sold properties only after complete settlement of debt. Accordingly, the credit risk is minimal.

(ii) Credit quality of major financial assets

The credit quality of cash and 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 Short term	Long term	Rating Agency	2016	2015
				(Rupees in thousand)	
Bank Islami Pakistan Limited formerly known as KASB Bank	A1	A+	PACRA	10	10
Allied Bank Limited	A1+	AA+	PACRA	34	123
Faysal Bank Limited	A1+	AA	PACRA	65	20
United Bank Limited	A-1+	AA+	JCR-VIS	6	6
Soneri Bank Limited	A1+	AA-	PACRA	6	6
Habib Bank Limited	A-1+	AAA	JCR-VIS	-	138
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	19
Silk Bank Limited	A-2	A-	JCR-VIS	71	70
Burj Bank Limited	A-2	A-	JCR-VIS	-	-
NIB Bank limited	A1+	AA-	PACRA	1	5
Bank Alfalah Limited	A1+	AA	PACRA	53	-

	Rating Short term	Long term	Rating Agency	2016	2015
				(Rupees in thousand)	
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	275	673
National Bank of Pakistan	A1+	AAA	PACRA	81	79
Askari Bank Limited	A-1+	AA	JCR-VIS	6	6
MCB Bank Limited	A1+	AAA	PACRA	29	-
Bank of Punjab	A1+	AA-	PACRA	91	92
				728	1,255

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Management monitors the forecasts of the Company’s cash and cash equivalents (note 36) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans. During the year the Group remained under severe liquidity pressure as mentioned in note 2.2.

The following are the contractual maturities of financial liabilities as at June 30, 2016:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finances - secured	27,422	27,422	-	-
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200	-	-
Liabilities against assets subject to finance lease	20,746	20,746	-	-
Foreign currency convertible bonds - unsecured	1,736,212	1,736,212	-	-
Short term finance - secured	96,443	96,443	-	
Creditors, accrued and other liabilities	492,209	492,209	-	-
Accrued finance cost	1,099,911	1,099,911	-	-
	4,971,143	4,971,143	-	-

The following are the contractual maturities of financial liabilities as at June 30, 2015:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finances - secured	614,906	614,906	-	-
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200	-	-
Liabilities against assets subject to finance lease	23,614	23,614	-	-
Foreign currency convertible bonds - unsecured	1,670,456	1,670,456	-	-
Short term finance - secured	96,443	96,443	-	-
Creditors, accrued and other liabilities	327,135	327,135	-	-
Accrued finance cost	1,368,075	1,368,075	-	-
	5,598,829	5,598,829	-	-

38.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

	2016 (Rupees in thousand)			2015
	Available for sale	Loans and receivables	Total	Total
Assets as per balance sheet				
Long term advances and deposits	-	14,250	14,250	13,619
Trade debts - unsecured	-	647,792	647,792	676,483
Investments	784	-	784	1,007
Advances, deposits, prepayments and other receivables				
- Advances to employees - considered good	-	11,348	11,348	7,625
- Security deposits	-	19,775	19,775	12,896
- Others - considered good	-	32,352	32,352	32,614
Cash and bank balances	-	728	728	1,255
	784	726,245	727,029	745,499

	Financial liabilities at amortised cost	
	2016	2015
	(Rupees in thousand)	
Liabilities as per balance sheet		
Long term finances - secured	27,422	614,906
Redeemable capital - secured (non-participatory)	1,498,200	1,498,200
Liabilities against assets subject to finance lease	20,746	23,614
Foreign currency convertible bonds - unsecured	1,736,212	1,670,456
Short term finance - secured	96,443	96,443
Creditors, accrued and other liabilities	492,209	327,135
Accrued finance cost	1,099,911	1,368,075
	4,971,143	5,598,829

38.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. 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. Consistent with others in the industry and the requirements of the lenders the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, as disclosed in note 6, 7, 9 and 12 less cash and cash equivalents as disclosed in note 36. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The Group's strategy, which was unchanged from last year, was to maintain a gearing ratio of 60% debt and 40% equity. The gearing ratio as at year ended June 30, 2016 and June 30, 2015 are as follows:

	Note	2016	2015
		(Rupees in thousand)	
Borrowings		**3,261,834**	3,783,562
Less: Cash and cash equivalents	36	**(95,715)**	(95,188)
Net debt		**3,357,549**	3,878,750
Total equity		**2,675,684**	2,427,227
Total capital		**6,033,233**	6,305,977
Gearing ratio		**56%**	62%

38. Fair value estimation

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets measured at fair value at June 30, 2016:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Recurring fair value measurement of Available for sale financial assets	784	-	-	784
Recurring fair value measurement of Investment property:				
Freehold land	-	1,214,500	-	1,214,500
Buildings	-	-	2,155,202	2,155,202
	784	1,214,500	2,155,202	3,370,486

The following is categorization of assets measured at fair value at June 30, 2015:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Recurring fair value measurement of Available for sale financial assets	1,007	-	-	1,007
Recurring fair value measurement of Investment property:				
Freehold land	-	1,165,920	-	1,165,920
Buildings	-	-	2,255,510	2,255,510
	1,007	1,165,920	2,255,510	3,422,437

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the periods.

Valuation techniques used to measure level 2 and 3 assets

The fair value of these assets is determined by an independent professionally qualified valuer. Latest valuation of these assets was carried out on June 30, 2016. The level 2 fair value of freehold land has been derived using the sales comparison approach. The most significant input into this valuation approach is price per square yard. 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.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period and year ended June 30, 2016 and June 30, 2015 for recurring fair value measurements:

	2016	2015
	(Rupees in thousand)	
Opening fair value	**2,255,510**	2,301,406
Disposal of investment property	**(39,730)**	(25,736)
Settlement against loan	**(7,328)**	-
	2,208,452	2,275,670
Fair value loss recognised during year	**(19,170)**	(20,161)
Closing value after revaluation	**2,189,282**	2,255,510

The change in unrealized gains/ losses of the investment property is credited/charged to the profit and loss account as “Changes in fair value of investment property”.

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. See paragraph above for the valuation techniques adopted.

Description	**Fair Value at**		**Significant Unobserv-able inputs**	**Quantitative Data / Range and relationship to the fair value**
	2016	**2015**		
	Rs'000	**Rs'000**		
Buildings	2,155,202	2,255,510	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 factor 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.

40. Earnings per share

Basic earnings per share is calculated by dividing profit after for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. The weighted average numbers of shares outstanding during the year and the previous year have been adjusted for the events that have changed the number of shares outstanding without a corresponding change in resources. The information necessary to calculate basic and diluted earning per share is as follows:

40.1 Basic earnings / (loss) per share

		2016	2015
Profit / (loss) for the year	**Rupees in thousand**	228,528	(303,807)
Weighted average number of ordinary shares outstanding during the year	**In thousand**	278,877	278,877
Basic earnings / (loss) per share	**Rupees**	0.82	(1.09)

40.2 Diluted earnings / (loss) per share

The dilution effect on basic earnings / (loss) per share is due to conversion option on foreign currency convertible bonds ('FCCB'). The basic weighted average number of shares have been adjusted for conversion option available to bond holders.

		2016	2015
Profit / (loss) for the year for calculation of basic earnings / (loss) per share	**Rupees in thousand**	228,528	(303,807)
Interest on FCCB	**Rupees in thousand**	13,678	16,007
Exchange loss on FCCB during the year	**Rupees in thousand**	40,899	47,991
Profit / (loss) used to determine diluted earnings / (loss) per share	**Rupees in thousand**	283,105	(239,809)
Weighted average number of ordinary shares outstanding during the year	**In thousand**	278,877	278,877
Assumed conversion of FCCB into ordinary shares	**In thousand**	114,802	111,940
Weighted average number of ordinary shares for earnings / (loss) per share	**In thousand**	393,679	390,817
Diluted earnings / (loss) per share	**Rupees**	0.72	(0.61)

The effect of the conversion of the foreign currency convertible bonds into ordinary shares is anti-dilutive for the current year, accordingly the diluted loss per share is restricted to the basic loss per share.

41. Transactions with related parties

The related parties comprise associates, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of key management personnel is disclosed in note 34. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	2016 (Rupees in thousand)	2015 (Rupees in thousand)
i. Associate	Guarantee commission income	**1,238**	1,238
	Purchase of inventory	**60,728**	108,440
	Receipts against Pace circle sales	**36,878**	32,160
	Shared expense charged by the company	**3,122**	2,640
	Sale of property, plant and equipment	**6,406**	-
ii. Others	Purchase of goods & services	**15,239**	2,262
	Sale of services	**1,314**	1,736
	Rental income	**10,636**	9,663
	Sale of investment property	**113,540**	-

All transactions with related parties have been carried out on mutually agreed terms and conditions.

42. Number of employees

	2016	2015
Total number of employees as at June 30	**314**	314
Average number of employees during the year	**314**	318

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to the directors and executives of the Group are as follows:

43. Detail of subsidiaries

	Accounting year end	Percentage of holding	Country of Incorporation
Year ended June 30, 2016			
Pace Woodlands (Private) Limited	30-Jun-16	52%	Pakistan
Pace Gujrat (Private) Limited	30-Jun-16	100%	Pakistan
Pace Supermall (Private) Limited	30-Jun-16	69%	Pakistan
Year ended June 30, 2015			
Pace Woodlands (Private) Limited	30-Jun-15	52%	Pakistan
Pace Gujrat (Private) Limited	30-Jun-15	100%	Pakistan
Pace Supermall (Private) Limited	30-Jun-15	69%	Pakistan

44. Date of authorisation

These financial statements were authorised for issue on September 28, 2016 by the board of directors of the Company.

45. Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.

Lahore	**Aamna Taseer**	**Shehryar Ali Taseer**
September 28, 2016	Chief Executive	Director

Form-34

The Companies Ordinance 1984
(Section 236(2)(d) Pattern of Shahreholding
AS AT 30 JUNE 2016

1 **Incorporation Number: (0028954 OF 21-11-1992)**

2 Name of the Company Pace (Pakistan) Limited

3 Pattern of holding of the shares held by the shareholders as at 30 June 2016

4

No. of Shareholders	Shareholdings			Shares Held
	From		To	
1916	1	-	100	143,396
1022	101	-	500	421,412
3456	501	-	1000	2,344,134
2033	1001	-	5000	5,887,717
707	5001	-	10000	6,070,622
260	10001	-	15000	3,445,760
185	15001	-	20000	3,465,646
133	20001	-	25000	3,160,896
103	25001	-	30000	2,967,877
63	30001	-	35000	2,133,200
50	35001	-	40000	1,958,500
37	40001	-	45000	1,640,524
124	45001	-	50000	6,169,827
17	50001	-	55000	913,193
16	55001	-	60000	942,500
12	60001	-	65000	754,992
23	65001	-	70000	1,585,500
20	70001	-	75000	1,481,900
12	75001	-	80000	945,500
5	80001	-	85000	417,275
6	85001	-	90000	540,000
3	90001	-	95000	281,000
82	95001	-	100000	8,180,298
11	100001	-	105000	1,119,036
10	105001	-	110000	1,090,987
12	110001	-	115000	1,361,500
12	115001	-	120000	1,428,500
7	120001	-	125000	875,000
8	125001	-	130000	1,024,000
4	130001	-	135000	535,000
5	135001	-	140000	688,500
3	140001	-	145000	430,000

No. of Shareholders	Shareholdings			Shares Held
	From		To	
10	145001	-	150000	1,497,500
2	150001	-	155000	310,000
1	155001	-	160000	160,000
3	160001	-	165000	495,000
3	165001	-	170000	506,000
2	170001	-	175000	346,500
1	175001	-	180000	180,000
2	185001	-	190000	380,000
2	190001	-	195000	389,000
33	195001	-	200000	6,596,000
3	200001	-	205000	609,000
3	205001	-	210000	627,000
3	210001	-	215000	641,000
1	215001	-	220000	215,500
3	220001	-	225000	675,000
3	225001	-	230000	683,500
1	230001	-	235000	233,500
3	235001	-	240000	718,000
1	240001	-	245000	245,000
8	245001	-	250000	2,000,000
1	260001	-	265000	261,000
3	270001	-	275000	822,000
1	280001	-	285000	285,000
1	285001	-	290000	290,000
1	290001	-	295000	295,000
8	295001	-	300000	2,395,500
3	305001	-	310000	926,500
5	315001	-	320000	1,600,000
3	320001	-	325000	974,000
1	340001	-	345000	342,000
2	345001	-	350000	700,000
2	350001	-	355000	705,100
1	360001	-	365000	362,500
1	365001	-	370000	365,500
1	370001	-	375000	375,000
1	375001	-	380000	375,211
2	385001	-	390000	778,500
1	390001	-	395000	393,000
1	400001	-	405000	405,000
1	405001	-	410000	410,000
1	410001	-	415000	410,500
1	430001	-	435000	433,500
1	435001	-	440000	437,583
2	460001	-	465000	927,838
1	475001	-	480000	479,000
6	495001	-	500000	3,000,000
1	505001	-	510000	510,000
1	525001	-	530000	525,716
1	530001	-	535000	532,000

No. of Shareholders	Shareholdings From		Shareholdings To	Shares Held
1	540001	-	540000	539,387
1	575001	-	545000	540,500
1	595001	-	580000	578,000
1	600001	-	600000	600,000
2	620001	-	605000	1,205,000
1	645001	-	625000	625,000
2	650001	-	650000	1,292,500
1	680001	-	655000	650,500
1	685001	-	685000	685,000
1	695001	-	690000	690,000
2	735001	-	700000	1,400,000
1	760001	-	740000	740,000
1	780001	-	765000	765,000
1	790001	-	785000	784,500
1	855001	-	795000	791,500
1	875001	-	860000	860,000
1	895001	-	880000	875,500
1	900001	-	900000	900,000
1	925001	-	905000	905,000
2	945001	-	930000	1,860,000
1	9900001	-	950000	950,000
1	995001	-	9905000	995,000
1	1020001	-	1000000	1,000,000
1	1130001	-	1025000	1,025,000
1	1170001	-	1135000	1,134,500
1	1195001	-	1175000	1,173,000
1	1245001	-	1200000	1,196,000
1	1305001	-	1250000	1,250,000
1	1495001	-	1310000	1,310,000
4	1540001	-	1500000	6,000,000
1	1595001	-	1545000	1,543,500
1	1695001	-	1600000	1,600,000
1	1795001	-	1700000	1,700,000
1	1995001	-	1800000	1,800,000
2	2080001	-	2000000	4,000,000
1	2085001	-	2085000	2,082,695
1	2195001	-	2090000	2,088,000
1	2270001	-	2200000	2,200,000
1	2505001	-	2275000	2,275,000
1	2940001	-	2510000	2,510,000
1	2995001	-	2945000	2,942,500
1	3160001	-	3000000	3,000,000
1	3295001	-	3165000	3,165,000
1	3345001	-	3300000	3,300,000
1	3495001	-	3350000	3,350,000
1	4290001	-	3500000	3,500,000
1	4295001	-	4295000	4,290,268
1	4425001	-	4300000	4,300,000
1	4970001	-	4430000	4,426,200

No. of Shareholders	Shareholdings			Shares Held
	From		To	
1	4970001	-	4975000	4,971,117
1	6955001	-	6960000	6,959,290
1	7330001	-	7335000	7,334,915
1	10410001	-	10415000	10,412,000
1	10670001	-	10675000	10,672,931
1	21800001	-	21805000	21,803,661
1	27095001	-	27100000	27,100,000
10564				**278,876,604**

5	Categories of shareholders		Shares held	Percentage
5.1(a)	**Directors, CEO and their Spouse and Minor Children**			
	Aamna Taseer		587	0.00
	Shahbaz Ali Taseer		987	0.00
	Shehryar Ali Taseer		500	0.00
	Shehrbano Taseer		500	0.00
	Sulaiman Ahmed Saeed Al-Hoqani		15,644,048	5.61
	Mohammad Imran Chaudhry		500	0.00
	Kanwar Latafat Ali Khan		587	0.00
	Syed Abid Raza		1,087	0.00
5.1 (b)	**Chief Executive Officer**			
	(587 Shares of Aamna Taseer, CEO has been included in the Executive holdings)		-	-
5.1(c)	**Directors spouse & minor children**		-	-
5.1.1	**Executive / Executives' spouse**		-	-
5.2	**Associated Companies, undertaking and related parties**			
a)	First Capital Securities Corporation Limited		7,504,915	2.69
b)	Al-Hoqani Securities & Investment Corporation (Pvt.) Ltd.		70,000	0.03
c)	First Capital Equities Limited		7,600,000	2.78
5.3	NIT and ICP		525,716	0.19
5.4	Banks, DFIs and NBFIs		1,258,587	0.45
5.5	Insurance		425,711	0.15
5.6	Modarabas and Mutual Funds		2,640,000	0.95
5.7	**Share holders holding 5% or more voting intrest**			
a)	Sulaiman Ahmed Saeed Al-Hoqani	Refer 5.1 (a) above	-	-
b)	Pioneer Services Limited		21,803,661	7.82
c)	Sisley Group Company Limited		27,100,000	9.72
5.8	General Public			
	a) Local		160,819,014	57.67
	b) Foreign Companies/Orginzations/Individual / (repatriable bases)		16,130,974	5.78
	Pioneer Services Limited	Refer 5.7(b) above	-	-
	Sisley Group Company Limited	Refer 5.7 (c)bove	-	-
5.9	**Others**			
a)	Joint Stock Companies		17,349,230	6.28
b)	Pension fund Provident Fund etc.		-	-
			278,876,604	**100.00**

FORM OF PROXY

The Company Secretary
Pace (Pakistan) Limited
2nd Floor, Pace Shopping Mall
Fortress Stadium, Lahore Cantt
Lahore

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

Shares Held: __________

I/ We ______________________________ of ____________________________________
(Name) (Address)
being the member (s) of Pace (Pakistan) Limited hereby appoint

Mr. / Mrs./Miss__________________________ of ______________________________________
(Name) (Address)
or failing him / her / Mr. /Mrs. Miss./ ______________________ of __ ______________________
(Name) (Address)

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. _____________ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an Annual General Meeting of the Company to be held at the Registered Office of the Company, 2nd Floor, Pace Shopping Mill Fortress Stadium, Lahore Cantt. Lahore on 28 October 2016 at 12:30 p.m. and at any adjournment thereof.

Signature this _____________________________ Day of _________________________ 2016

(Witnesses)

1.____________________________
Signature

Name __________________________

Address
____
____

CNIC No. _____________________________________

(Witnesses)

2.____________________________
Signature

Name __________________________

Address
____
____

CNIC No. _____________________________________

Affix Revenue Stamp
of Rupees Five

____
Signature of Shareholder
(Signature appended should agree with the specimen signature registered with the Company.)

(Please See Notes on reverse)

Notes:

1. A member entitled to attend and vote the Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him/her. A corporation or a company being a member of the Company may appoint any of its officer, though not a member of the Company;

2. Proxy(s) must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting;

3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company;

4. CDC account holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

i) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.

ii) In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For appointing Proxies:

i) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements

ii) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned o the form

iii) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form

iv) The proxy shall produce his / original CNIC or original passport at the time of the Meeting

v) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company

پیس پاکستان لمیٹڈ

رجسٹرڈ آفس: دوسری منزل پیس شاپنگ مال فورٹریس سٹیڈیم، لاہور

نمائندگی نامہ

میں رہم.. مقیم.. بحیثیت پیس پاکستان لمیٹڈ کے

ایک ممبر، محترم، محترمہ.. مقیم.. یا ان کے

شریک ہونے پر محترم رمحترمہ.. مقیم.. کو بذریعہ ہذا دوسری منزل پیس

شاپنگ مال فورٹریس سٹیڈیم، لاہور۔ پاکستان میں 28 اکتوبر 2016 کو دوپہر 12:30 بجے اور اس کے کسی ممکنہ التوائی وقت پر منعقدہ کمپنی کے سالانہ اجلاس عام میں بطور میرا رہمارا نمائندہ ووٹ دینے کے لئے نامزد کرنا چاہتا ہوں رچاہتے ہیں۔

آج بروز.. تاریخ.. 2016ء دستخط کیے گئے۔

گواہان

1۔ دستخط..

نام..

پتا..

....

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر..

پانچ روپے کی

ریونیو اسٹمپ

2۔ دستخط..

نام..

پتا..

....

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر..

دستخط..

مالک.. عدد عام شیئرز

رجسٹرڈ فیولیو نمبر..

CDC شرکتی شناختی نمبر.. اکاونٹ نمبر..

نوٹس

1۔سالانہ اجلاس عام میں شرکت اور رائے دہی کا حق رکھنے والا ممبر کسی دوسرے ممبر کو اپنے بجائے شرکت اور حق رائے دہی کے استعمال کے لئے اپنا نمائندہ (پراکسی) مقرر کر سکتا ہے۔کوئی کارپوریشن یا کمپنی، بحیثیت کمپنی کی ممبر، اپنے افسران میں سے کسی کی تقرری کر سکتی ہے، خواہ وہ کمپنی کا ممبر نہ ہو۔

2۔نمائندگی نامہ(Proxy (S اس اجلاس کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہوجانا چاہئے۔

3۔نمائندگی پر موجود دستخط لازماً کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے مطابق ہونا چاہئے۔

4۔CDC اکاؤنٹ ہولڈرز کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر 1 بتاریخ 26 جنوری 2000ء میں واضح کردہ درج ذیل ہدایات کی مزید پیروی کرنا ہوگی۔

A۔اجلاس میں شرکت کے لئے:

i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈر جس کی رجسٹریشن کی CDC ضوابط کے مطابق اپ لوڈ کی جا چکی ہیں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ دکھائے گا۔

ii) کاروباری ادارے کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ، نامزد نمائندے کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)

B۔نمائندوں کی تقرری کے لئے

i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈر جس کی رجسٹریشن کی CDC ضوابط کے مطابق اپ لوڈ کی جا سکتی ہے۔اجلاس میں شرکت کے وقت مندرجہ بالا تقاضوں کے مطابق نمائندگی نامہ (Proxy Form) جمع کرائے گا۔

ii) نمائندگی نامے پر دو افراد کی گواہی موجود ہونی چاہئے جن کے نام، پتے اور CNIC نمبر تقرری نامے میں درج ہیں۔

iii) نمائندگی نامے کے ہمراہ اصل مالکان (Beneficial Owner) اور نمائندے کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول مہیا کی جائیں۔

iv) نمائندے کو اجلاس کے موقع پر اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

v) کاروباری ادارے کی صورت میں اجلاس کے موقع پر نمائندگی نامے کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ نمائندے / اٹارنی کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)