



# CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED  
30 SEPTEMBER 2023



PAKISTAN SERVICES LTD.



Pearl-Continental  
HOTELS & RESORTS



Pearl-Continental Hotel, Karachi



Pearl-Continental  
HOTELS & RESORTS

# CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the three months period ended 30 September 2023



PAKISTAN SERVICES LTD.

## VISION STATEMENT

We are committed to dynamic growth and service excellence built upon our heritage of traditional hospitality. We strive to consistently meet and surpass guests', employees' and other stakeholders' expectations. We feel pride in making efforts to position Pakistan in the forefront of the international arena.

## MISSION STATEMENT

Secrets to our sustained leadership in hospitality are Excellence and Dynamism through offering competitive and innovative high quality value added services to our guests and business partners.

To meet the challenges of modern business, we constantly upgrade our operations and services in line with latest technological facilities.

As a responsible corporate citizen, maintaining the highest level of governance, ethical standards and prudence.

Keeping close-watch at socio-political environment to make use of all available growth opportunities through aggressive and proactive approach.

Believe in strong and professional workforce by providing challenging and rewarding environment and equal respect to all through creating the sense of participation towards the success of our vision.

# CORPORATE INFORMATION

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 8 luxury hotels in Karachi, Lahore, Rawalpindi, Bhurban, Muzaffarabad, Hunza, Murree and Malam Jabba, besides one franchised hotel located at Gwadar, comprising total inventory of 1,702 rooms.

## BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman
Mr. Murtaza Hashwani	CEO
Mr. M. A. Bawany	
Mr. Shakir Abu Bakar	
Syed Haseeb Amjad Gardezi	
Mr. M. Ahmed Ghazali Marghoob	
Ms. Ayesha Khan	
Mr. Rohail Ajmal	
Mr. Shahid Hussain	
Mr. M. Saleem Ahmed Ranjha	

## AUDIT COMMITTEE

Mr. Shahid Hussain	Chairman
Mr. M. A. Bawany	
Mr. M. Ahmed Ghazali Marghoob	
Mr. Rohail Ajmal	

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rohail Ajmal	Chairman
Mr. Murtaza Hashwani	
Mr. M. A. Bawany	
Syed Haseeb Amjad Gardezi	
Mr. M. Ahmed Ghazali Marghoob	

## NOMINATION COMMITTEE

Mr. Murtaza Hashwani	Chairman
Mr. M. A. Bawany	
Mr. Shakir Abu Bakar	
Syed Haseeb Amjad Gardezi	

## RISK MANAGEMENT COMMITTEE

Mr. Murtaza Hashwani	Chairman
Mr. M. A. Bawany	
Mr. Shakir Abu Bakar	
Syed Haseeb Amjad Gardezi	
Ms. Ayesha Khan	
Mr. Rohail Ajmal	

## CHIEF FINANCIAL OFFICER

Mr. Tahir Mahmood

## COMPANY SECRETARY

Mr. Muhammad Amir

## AUDITORS

M/s KPMG Taseer Hadi & Co.  
Chartered Accountants  
6th Floor, State Life Building No. 5 Jinnah  
Avenue, Blue Area Islamabad.

## LEGAL ADVISOR

M/s Liaquat Merchant & Associates

## BANKERS

National Bank of Pakistan  
The Bank of Punjab  
Habib Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Askari Bank Limited  
JS Bank Limited  
Muslim Commercial Bank Limited  
Silk Bank Limited  
Faysal Bank Limited  
Standard Chartered Bank [Pakistan] Limited  
Industrial and Commercial Bank of China  
Dubai Islamic Bank [ Pakistan] Limited  
Meezan Bank Limited

## REGISTERED OFFICE

1st Floor, NESPAK House,  
Sector G-5/2, Islamabad.  
Tel: +92 51-2272890-8  
Fax: +92 51-2878636  
<http://www.psl.com.pk>  
<http://www.pshotels.com>  
<http://www.hashoogroup.com>

## SHARE REGISTRAR

M/s THK Associates [Private] Limited  
Plot No. 32-C, Jami Commercial  
Street-2, DHA, Phase VII  
Karachi

# Directors' Report

## Dear Members,

The Board of Directors of Pakistan Services Limited (PSL) presents the condensed interim financial statements of the Company for the three months period ended 30 September 2023.

## Economic Overview

The earlier prevailing uncertainty in wake of Russia's & Ukraine war has been now taken another twist in wake of current battle being fought between Israel and Hamas and it seems it may take longer amidst power wrangling of international stake holders causing major commodity crises and it feared that Gaza war could make geopolitical tensions matters worse. Both conflicts has caused fuel prices to rise worldwide.

The Pakistan economy is facing the challenges and passing through ongoing economic crisis and political unrest is major cause of the same, the high markup cost coupled with depreciation in currency besides high cost of energy and power has halted the new investments and expansion.

The approval of the International Monetary Fund (IMF) Stand-By Arrangement (SBA) in July 2023 unlocked new external financing and averted a balance of payments crisis. This SBA-supported program will provide a policy anchor for addressing domestic and external imbalances and a framework for financial support from multilateral and bilateral partners.

## Overall performance of the Company

During the period, the Company recorded revenue (net) of Rs. 3,555 million, as compared to Rs. 3,152 million registered in the corresponding period of the last year whereas the gross profit for the period is Rs. 1,425 million as compared to Rs. 1,130 million of comparative period of the last year. The profit before tax is Rs. 75 million as compared to loss of Rs. 90 million in the corresponding period of last year.

## Highlights of Performance:

	For the three months' period ended 30 September	
	2023	2022
	[Rupees million]	
Sales and Services – net	3,555	3,152
Gross profit	1,425	1,130
Profit / [loss] before taxation	75	[90]
Profit/ [loss] after taxation	61	[152]
Earnings/ [loss] per share [Rupees]	1.89	[4.67]

## Performance of Rooms Department

During the period Rooms Revenue was recorded at Rs. 1,846 million as against Rs. 1,500 million of the corresponding period of last year.

### Performance of Food & Beverage (F&B) Department

Revenue from this segment has been recorded at Rs. 2,077 million for the period under review as compared to Rs. 1,863 million of the same period last year.

### Performance of Other Related Services/License Fee/ Travel and Tour Division

From this segment of the business revenue of Rs. 300 million has been achieved as compared to Rs. 283 million of the comparative period of last year.

### Prospects

General elections are expected in the coming months and with the formation of a newly elected government political unrest is likely to disappear and a new stable government must implement new economy plan to stabilize the economy.

### Consolidated Results

During the current period, the group recorded a revenue [net] of Rs. 3,605 million as compared to Rs. 3,238 million of the same period last year. Profit after taxation is recorded at Rs. 5 million in comparison with loss of Rs. 225 million of the corresponding period of the previous year.

### Acknowledgement

On behalf of the Board, we express our appreciation for the dedication to duty and professional conduct of the employees of the Company, as well as of the shareholders/stakeholders and in particular the Government Authorities for their advice, understanding, and support. We thank the bankers of the Company for the understanding and the cooperation they have extended. Finally, we are thankful to our loyal and confident customers, the combined efforts of all have been instrumental in the sustainable growth of the Company against all odds. Prayers for a peaceful and prosperous Pakistan.

For and on behalf of the Board of Directors,



**M.A. Bawany**

Director



**Shakir Abu Bakar**

Director

Islamabad: 30 October 2023

## ڈائریکٹرز رپورٹ

### محترم حصص داران:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

### اقتصادی جائزہ:

روس اور یوکرین کی جنگ کے نتیجے میں پہلے سے موجود غیر یقینی صورتحال کو اب اسرائیل اور حماس کے درمیان لڑی جانے والی موجودہ جنگ کے تناظر میں ایک اور موڑ دیا گیا ہے اور ایسا لگتا ہے کہ بین الاقوامی اسٹیک ہولڈرز کی طاقت کے جھگڑے کے درمیان اجناس کے بڑے بحران کا سبب بن سکتا ہے۔ غزہ کی جنگ جغرافیائی سیاسی کشیدگی کو مزید خراب کر سکتی ہے۔ دونوں تنازعات کی وجہ سے دنیا بھر میں ایندھن کی قیمتوں میں اضافہ ہوا ہے۔

پاکستانی معیشت کو چیلنجز کا سامنا ہے اور معاشی بحران سے گزر رہی ہے اور سیاسی عدم استحکام بھی اس کی بڑی وجہ ہے، کرنسی کی قدر میں کمی کے ساتھ ساتھ توانائی اور بجلی کی بلند قیمتوں نے نئی سرمایہ کاری اور توسیع کو روک دیا ہے۔

جولائی 2023 میں بین الاقوامی مالیاتی فنڈ (IMF) اسٹینڈ بائی آرٹیکل (SBA) کی منظوری نے نئی بیرونی مالی اعانت کو کھول دیا اور ادائیگیوں کے توازن کے بحران کو ٹال دیا۔ یہ SBA سے تعاون یافتہ پروگرام ملکی اور بیرونی عدم توازن کو دور کرنے کے لیے ایک پالیسی اینکرا اور کثیر جہتی اور دو طرفہ شراکت داروں کی مالی مدد کے لیے ایک فریم ورک فراہم کرے گا۔

### کمپنی کی مجموعی کارکردگی:

30 ستمبر 2023 کو ختم ہونے والی سہ ماہی مدت کے دوران کمپنی نے 3,555 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 3,152 ملین روپے تھے۔

کمپنی کا مجموعی منافع 1,425 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 1,130 ملین روپے تھا۔ قبل از ٹیکس منافع گزشتہ برس کے اسی عرصے کے 90 ملین خسارہ کے مقابلے میں 75 ملین روپے ریکارڈ کیا گیا۔

### کارکردگی کی جھلکیاں:

	سہ ماہی مدت اختتام 30 ستمبر	
	2023	2022
	(ملین روپے)	
فروخت اور خدمات (خالص)	3,555	3,152
کل منافع	1,425	1,130
منافع/(خسارہ) قبل از ٹیکس	75	[90]
منافع/(خسارہ) بعد از ٹیکس	61	[152]
نی حصہ آمدنی (روپے میں)	1.89	[4.67]



## رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 1,500 ملین روپے کی نسبت آمدنی 1,846 ملین روپے ریکارڈ کی گئی۔

## فوڈ اینڈ بیورٹی (F&B) ڈیپارٹمنٹ کی کارکردگی:

اس شعبے کی آمدن 2,077 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصے کے مقابلے میں 1,863 ملین روپے تھی۔

## دیگر متعلقہ خدمات لائسنس فیس/ٹریول وٹورز ڈویژن کی کارکردگی:

اس شعبے میں زیر جائزہ عرصے کے دوران میں 300 ملین روپے کی آمدنی حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصے کے مقابلے میں 283 ملین روپے تھی۔

## مستقبل کے امکانات:

آنے والے مہینوں میں عام انتخابات متوقع ہیں اور نئی منتخب حکومت کے قیام کے ساتھ ہی سیاسی بے چینی ختم ہونے کا امکان ہے اور ایک نئی مستحکم حکومت کو معیشت کو مستحکم کرنے کے لیے نئے اقتصادی منصوبے پر عمل درآمد کرنا ہوگا۔

## مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے 3,605 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں 3,238 ملین روپے تھے۔ گزشتہ برس کے 225 ملین روپے بعد از ٹیکس خسارہ کی نسبت موجودہ عرصہ میں 5 ملین روپے منافع ریکارڈ کیا گیا۔

## اظہار تشکر:

ہم بورڈ کی جانب سے خصوصی پیشہ ورانہ خدمات کے لیے کمپنی کے عملے کا شکریہ ادا کرتے ہیں اور ہم اپنے معزز مہمانوں کے بھی شکرگزار ہیں، جو ہمیشہ ہماری اور اسٹاف کی حوصلہ افزائی کرتے ہیں تاکہ بہترین پروڈکٹس اور خدمات کی فراہمی میں ان کا مسلسل تعاون اور سرپرستی حاصل رہے۔ ہم ان تمام مشوروں، تعاون اور باہمی ادراک کے لیے حکومتی اداروں اور اپنے کنسلٹنٹس، بینکاروں، مشیران اور شراکت داروں کے ممنون ہیں، جو ہمارے پروگراموں، پروڈیکٹس اور عمومی کاروباری امور میں کامیابی کے لیے انتہائی اہم ہیں۔

منجانب بورڈ آف ڈائریکٹرز



شاکر ابوبکر

ڈائریکٹر



ایم۔ اے باوانی

ڈائریکٹر

اسلام آباد: 30 اکتوبر 2023





**CONDENSED INTERIM  
UNCONSOLIDATED  
FINANCIAL STATEMENTS  
[UNAUDITED]**

For the three months period ended  
30 September 2023

# Condensed Interim Unconsolidated Statement of Financial Position

As at 30 September 2023

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		7,907,825	7,846,376
Revaluation surplus on property, plant and equipment		36,498,204	36,498,204
<b>Total equity</b>		<b>45,000,695</b>	<b>44,939,246</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	6,072,721	1,513,050
Lease liabilities	6	169,105	187,581
Employee benefits		1,006,193	976,778
Other liabilities	7	163,755	141,960
<b>Non - current liabilities</b>		<b>7,411,774</b>	<b>2,819,369</b>
Short term borrowings	8	1,813,482	1,613,027
Current portion of loans and borrowings	5	6,591,183	10,620,322
Current portion of lease liabilities	6	115,954	118,977
Trade and other payables	9	3,378,385	3,324,697
Contract liabilities		838,880	795,235
Advance against non-current assets held for sale		500,000	500,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>13,248,654</b>	<b>16,983,028</b>
<b>Total equity and liabilities</b>		<b>65,661,123</b>	<b>64,741,643</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>10</b>		

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	11	46,832,376	46,360,926
Advances for capital expenditure	12	1,350,252	1,189,494
Intangible asset	13	84,746	91,454
Investment property		80,000	80,000
Long term investments		1,037,794	1,037,794
Advance against equity investment	14	731,000	731,000
Long term deposits		19,130	19,281
Deferred tax assets-net		216,204	191,901
<b>Non - current assets</b>		<b>50,351,502</b>	<b>49,701,850</b>
Inventories		509,813	510,658
Trade debts		977,098	939,652
Contract assets		95,327	20,620
Advances, prepayments, trade deposits and other receivables		2,001,331	1,951,222
Short term investments	15	1,129,533	1,136,110
Non-current assets held for sale	16	9,728,960	9,339,704
Advance tax - net		414,460	787,018
Cash and bank balances		453,099	354,809
<b>Current assets</b>		<b>15,309,621</b>	<b>15,039,793</b>
<b>Total assets</b>		<b>65,661,123</b>	<b>64,741,643</b>



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)

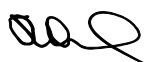
For the three months period ended 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		[Rupees'000]	
Revenue - net	17	3,554,596	3,151,589
Cost of sales and services	18	(2,129,194)	(2,021,818)
<b>Gross profit</b>		<b>1,425,402</b>	<b>1,129,771</b>
Other income		33,936	58,557
Administrative expenses		(942,340)	(853,404)
Allowance for impairment loss on trade debts		(3,815)	(30,916)
<b>Operating profit</b>		<b>513,183</b>	<b>304,008</b>
Finance income		35,215	55,546
[Loss]/ gain on remeasurement of investments to fair value - net		(7,001)	14,190
Finance cost		(466,633)	(463,293)
<b>Net finance cost</b>		<b>(438,419)</b>	<b>(393,557)</b>
<b>Profit / [loss] before taxation</b>		<b>74,764</b>	<b>(89,549)</b>
Income tax		(13,315)	(62,406)
<b>Profit / [loss] for the period</b>		<b>61,449</b>	<b>(151,955)</b>
Earnings / [loss] per share - basic and diluted) [Rupees]	19	1.89	(4.67)

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the three months period ended 30 September 2023

	30 Sep 2023	30 Sep 2022
	[Rupees'000]	
Profit / (loss) for the period	61,449	[151,955]
Other comprehensive income	-	-
Total comprehensive income for the period	<u>61,449</u>	<u>[151,955]</u>

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)


For the three months period ended 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	20	774,992	597,413
<b>Working capital changes</b>			
<b>[Increase] / decrease in current assets</b>			
Inventories		845	[25,206]
Trade debts		[41,261]	[102,352]
Contract assets		[74,707]	[32,929]
Advances		[7,804]	[27,171]
Trade deposits and prepayments		[80,186]	[57,232]
Other receivables		37,881	[58,729]
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		53,688	261,940
Non current liabilities		21,795	[3,415]
Contract liabilities		43,645	20,950
<b>Cash used in operations</b>		<b>[46,104]</b>	<b>[24,144]</b>
Staff retirement benefit - gratuity paid		[1,628]	[11,834]
Compensated leave absences paid		[7,748]	[6,277]
Income tax refund / [paid] -net		334,941	[48,537]
Finance cost paid		[262,186]	[564,446]
<b>Net cash generated / [used in] from operating activities</b>		<b>792,266</b>	<b>[57,825]</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[698,677]	[100,732]
Advance for capital expenditure		[160,758]	[23,396]
Proceeds from disposal of property, plant and equipment		4,586	14,494
Equity refunded from subsidiaries		-	201,000
Increase in non-current asset held for sale		[58,535]	[93,500]
Short term investments		-	328,056
Receipts of return on bank deposits and short term investments		43,426	54,047
Long term deposits and prepayments		151	[600]
<b>Net cash [used in] / generated from investing activities</b>		<b>[869,207]</b>	<b>379,969</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	[483,973]
Lease liabilities paid		[21,499]	[17,988]
<b>Net cash used in financing activities</b>		<b>[21,499]</b>	<b>[501,961]</b>
Net decrease in cash and cash equivalents		[98,440]	[179,817]
Cash and cash equivalents at beginning of the period		[1,177,676]	[1,787,969]
Cash and cash equivalents at end of the period	21	[1,276,116]	[1,967,786]

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer



# Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2023

	Capital reserve		Revenue reserves		Total equity	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Unappropriated profit
[Rupees'000]						
Balance at 01 July 2022	325,242	269,424	39,067,870	1,600,000	3,891,769	45,154,305
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(151,955)	(151,955)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(151,955)	(151,955)
Balance at 30 September 2022	325,242	269,424	39,067,870	1,600,000	3,739,814	45,002,350
Balance at 01 July 2023	325,242	269,424	36,498,204	1,600,000	6,246,376	44,939,246
Total comprehensive income for the period						
Profit for the period	-	-	-	-	61,449	61,449
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	61,449	61,449
Balance at 30 September 2023	325,242	269,424	36,498,204	1,600,000	6,307,825	45,000,695

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 1 THE COMPANY AND ITS OPERATIONS

Pakistan Services Limited (“the Company”) was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a public limited company and is quoted on Pakistan Stock Exchange Limited. The Company’s registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, and Muzaffarabad Azad Jammu & Kashmir. The Company also grants franchise to use its trade mark and name “Pearl Continental”.

Further, the company is in process of constructing hotels in Multan and Mirpur, Azad Jammu & Kashmir.

## 2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim unconsolidated financial statements do not include the information that was reported in annual audited unconsolidated financial statements and should therefore be read in conjunction with the annual audited unconsolidated financial statements for the year ended 30 June 2023. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2023, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows are extracted from unaudited interim unconsolidated financial statements for the three months period ended 30 September 2022.

These interim unconsolidated financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

### 2.1 Going concern basis of accounting

These condensed interim unconsolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will discharge its liabilities including repayment of loans and interest thereon, in the normal course of business. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Management acknowledges that the manner and timing of all the assumptions and projected results envisaged in management’s assessment and cash flow projection are always subject to unforeseen variability, and these may differ due to events and conditions outside the control of management, hence inherently an uncertainty remains on the manner of achievement of projected results, which may be material. However, incase due to unforeseen and uncontrollable events, the going concern assumption is no longer valid, this could have an impact on the Company’s ability to realize its assets, and to extinguish its liabilities in the normal course of business..

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 3 ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Significant accounting policies

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

### 3.2 Accounting estimates and judgments

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

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

#### Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the management.

Finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 3.3 Standards, interpretations and amendments to approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto effective for accounting periods beginning on or after 01 January 2024 :

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

- Amendments to IAS 1: Presentation of Financial Statements [effective 01 January 2024]
- Amendments to IAS 7 and IFRS 7 [effective 01 January 2024]
- Amendments to IFRS-16: Leases [effective 01 January 2024]

The above amendments are not likely to have an impact on the Company's interim unconsolidated financial statements.

## 4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Company from 30 June 2023.

	Unaudited 30 Sep 2023	Audited 30 June 2023
	[Rupees'000]	
<b>5 LOANS AND BORROWINGS - Secured</b>		
<b>a. Non current portion</b>		
Term Finance Loan - 1	1,915,649	1,915,649
Term Finance Loan - 3	1,333,333	1,333,333
Term Finance Loan - 4	1,600,000	1,600,000
Term Finance Loan - 5	351,050	351,050
Sukuk	5,751,166	5,751,166
Transaction cost	(30,638)	(32,711)
	<b>10,920,560</b>	<b>10,918,487</b>
Current portion of loans	(4,847,839)	(9,405,437)
	<b>6,072,721</b>	<b>1,513,050</b>
<b>b. Current portion</b>		
Current portion of loans	4,847,839	9,405,437
Markup accrued	1,743,344	1,214,885
	<b>6,591,183</b>	<b>10,620,322</b>

5.1 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2023.

	Unaudited 30 Sep 2023	Audited 30 June 2023
	[Rupees'000]	
<b>6 LEASE LIABILITIES</b>		
Opening	306,558	314,037
Interest expenses	20,378	40,369
Additions during the period/ year	-	82,600
Lease payments	(41,877)	(130,448)
Closing	<b>285,059</b>	<b>306,558</b>
Current portion	<b>115,954</b>	<b>118,977</b>
Non-current portion	<b>169,105</b>	<b>187,581</b>

7 This represents advance amount received under long term room management arrangement on time sharing basis with a separate understanding for management of the room under an agreed rate of annual profit sharing, this advance amount is refundable upon completion of arrangement with 40% margin or the market value whichever is less, further the company will also provide complimentary nights under the arrangement, Initially the liability is carried at its fair value and subsequent to initial recognition this is being carried at its amortized cost.

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000']	
<b>8 SHORT TERM BORROWINGS - secured</b>			
Running finance facilities - banking companies	8.1	1,727,442	1,531,623
Markup accrued		86,040	81,404
		<u>1,813,482</u>	<u>1,613,027</u>

8.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2023.

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000']	
<b>9 TRADE AND OTHER PAYABLES</b>			
Creditors		1,538,491	1,712,323
Accrued liabilities		872,827	728,997
Shop deposits		50,795	50,795
Retention money		151,460	149,167
Due to related parties - unsecured		108,691	64,747
Sales tax payable		355,689	218,507
Income tax deducted at source		16,347	53,808
Unearned income		27,881	37,700
Other liabilities	9.1	256,204	308,653
		<u>3,378,385</u>	<u>3,324,697</u>

9.1 This includes amount of Rs. 24.72 million [30 June 2023: Rs. 20.71 million] payable to directors.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

10.1.1 There is no change in the contingent liabilities as reported in the annual audited unconsolidated financial statements for the year ended 30 June 2023 except for the following:

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000']	
<b>10.1.2 Guarantees</b>			
		332,450	329,200
<b>10.2 Commitments</b>			
Commitments for capital expenditure		<u>2,910,734</u>	<u>2,915,776</u>

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Audited 30 June 2023
	[Rupees'000']	
<b>11 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	11.1 42,284,736	42,489,556
Capital work in progress	11.2 4,547,640	3,871,370
	<u>46,832,376</u>	<u>46,360,926</u>
<b>11.1 Operating fixed assets</b>		
Carrying amount at beginning of the period / year	42,489,556	45,803,771
Additions during the period / year	11.2.2 22,696	211,785
Transfer from Capital work in progress	-	1,162,574
Asset classified as held for sale	-	(3,768,347)
Disposal during the period / year	(2,971)	(33,088)
Depreciation charge for the period / year	11.2.2 (224,256)	(885,985)
Transfer to CWIP	(289)	(1,154)
Carrying amount at end of the period / year	<u>42,284,736</u>	<u>42,489,556</u>
<b>11.2 Capital work in progress</b>		
Carrying amount at beginning of the period / year	3,871,370	3,730,842
Additions during the period / year	676,270	1,345,749
Transferred to operating fixed assets	-	(1,162,574)
Transferred to assets held for sale	-	(42,647)
Carrying amount at end of the period / year	11.2.1 <u>4,547,640</u>	<u>3,871,370</u>
<b>11.2.1 Closing capital work in progress represents:</b>		
Construction of Pearl Continental Mirpur	3,657,243	3,654,757
Other civil works	890,397	216,613
	<u>4,547,640</u>	<u>3,871,370</u>

11.2.2 Additions in and depreciation on property, plant and equipment during the three months period ended 30 September 2022 were Rs. 10.99 million and Rs. 219.84 million respectively.

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

12 ADVANCE FOR CAPITAL EXPENDITURE	Note	Unaudited 30 Sep 2023	Audited 30 June 2023
		[Rupees'000]	
Advance for purchase of land	12.1	668,820	668,820
Advance for purchase of Malir Delta Land	12.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		<b>1,010,476</b>	<b>1,010,476</b>
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		206,561	45,803
Advances for Pearl Continental Mirpur Project		133,215	133,215
		339,776	179,018
		<b>1,350,252</b>	<b>1,189,494</b>

12.1 This includes amount of Rs. 626.82 million (30 June 2023: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece[s] of land measuring 7.29 acres in Gwadar, in previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Company to place the matter before the shareholders of the Company in the general meeting and seek their approval in terms of section 199 of the Companies Act, 2017. The directors of the Company has filed an appeal in the Honorable Islamabad High Court against the order of SECP. Simultaneously, without prejudice to the right of the Appellants, the management and Board have complied with the directions of SECP in this regard.

12.2 This represents amount paid for purchase of 1/3rd share (113.34 acres of land) from Ms. Seema Tressa Gill's situated in Deh Dih in the Delta of Malir River. The Company relying upon the representation of good title by Ms. Seema Tressa Gill entered into a Agreement to Sale with her 1/3rd share (113.34 acres land) against a total sale consideration of Rs 80 million which was followed by registered documents inter-alia includes a Deed of Conveyance. The relevant documents provide for indemnification by the Seller's against all losses, detriments occasioned to or sustained/ suffered by the Purchaser due to any defect in the title of the Seller. The Company also paid regularization fee amounting to Rs. 301.65 million to the Land Utilization Department Govt. of Sindh on her behalf through Challan.

Legal proceedings of the above said piece of land were instituted in the Courts of Law, the Company being aggrieved and dissatisfied with a impugned judgment of High Court against dismissal of its Constitution Petition has filed a Civil Petition for Leave to Appeal (CPLA) before Hon'ble Supreme Court of Pakistan and presently the matter is pending adjudication before the Apex Court and Company is diligently pursuing the same. The Company is hopeful of a favorable result. However, even if there is an adverse decision as per legal opinion, the Company would be entitled to recover the amounts from the Seller as well as from the relevant Government Department. In this regard the paid Challan for regularization fee also states that "Subject to the condition that the land in question is available on site and the lease money may be deposited into Government Treasury in the relevant Head of Accounts by the depositor at his own risk. In case if any irregularity/false information/ concealment of facts / stay of court is noticed hereafter, the malkano amount paid to this effect by the depositor shall be reimbursed.

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Audited 30 June 2023
	[Rupees'000']	
<b>13 INTANGIBLE ASSET</b>		
Software	84,746	91,454
<b>Cost</b>		
Opening balance	200,180	200,180
Additions	-	-
Closing balance	200,180	200,180
<b>Accumulated amortisation</b>		
Opening balance	108,726	76,284
Amortisation charge	6,708	32,442
Closing balance	115,434	108,726
<b>Net book value</b>		
Cost	200,180	200,180
Accumulated amortisation	(115,434)	(108,726)
Closing balance	84,746	91,454
Amortisation rate per annum	30%	30%

## 14 ADVANCE AGAINST EQUITY INVESTMENT

This represents advance against equity investment of Rs. 731 million [30 June 2023: Rs. 731 million] extended by the Company to its wholly owned subsidiary company Elite Properties (Private) Limited.

	Unaudited 30 Sep 2023	Audited 30 June 2023
	[Rupees'000']	
<b>15 SHORT TERM INVESTMENTS</b>		
	Note	
Fair value through other comprehensive income		
National Technology Development Corporation Limited	200	200
Indus Valley Solvent Oil Extraction Limited	500	500
Allowance for Impairment loss	(700)	(700)
	-	-
<b>Amortized cost</b>		
Term deposit receipt	637,579	637,579
Term Finance certificate	75,000	75,000
Accrued interest	3,077	2,652
	715,656	715,231
<b>Financial assets at fair value through profit or loss</b>		
Shares of listed Companies	15.1 413,877	420,879
	1,129,533	1,136,110

15.1 This mainly includes investment in an associated company having carrying value of Rs. 406.831 million [30 June 2023: Rs. 414.058 million].



# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

15.1.1 Out of total shares 15,056,661 held by the Company in an associated company, 15,000,000 (30 June 2023: 15,000,000) ordinary shares are placed / lien marked as security against running finance facility availed by the Company.

		Unaudited 30 Sep 2023	Audited 30 June 2023
		[Rupees'000']	
<b>16</b>	<b>NON CURRENT ASSET HELD FOR SALE</b>		
	Property - Civil Line Quarters, Abdullah Haroon Road, Karachi	3,766,242	3,766,242
	Under Construction Hotel Pearl Continental Multan	5,962,718	5,573,462
		<u>9,728,960</u>	<u>9,339,704</u>
		Unaudited 30 Sep 2023	Unaudited 30 Sep 2022
		[Rupees'000']	
<b>17</b>	<b>REVENUE - NET</b>		
	Rooms	1,846,352	1,500,234
	Food and beverages	2,076,852	1,863,072
	Other related services	255,880	255,906
	Fee revenue from franchise & management properties	34,771	14,322
	Shop license fees	9,048	12,683
		<u>4,222,903</u>	<u>3,646,217</u>
	Discounts	[110,430]	[77,548]
	Sales tax	[557,877]	[417,080]
		<u>3,554,596</u>	<u>3,151,589</u>
17.1	This includes revenue from telephone, laundry, discount cards and other ancillary services.		
<b>18</b>	<b>COST OF SALES AND SERVICES</b>		
	<b>Food and beverages</b>		
	Opening balance	186,720	150,527
	Purchases during the period	544,854	592,419
	Closing balance	[158,403]	[148,484]
	Consumption during the period	<u>573,171</u>	<u>594,462</u>
	<b>Direct expenses</b>		
	Salaries, wages and benefits	565,974	480,235
	Heat, light and power	479,205	490,334
	Repair and maintenance	115,990	97,272
	Depreciation	182,045	180,923
	Amortization	6,037	8,151
	Guest supplies	81,511	62,575
	Linen, china and glassware	41,429	27,303
	Communication	1,759	2,729
	Laundry and dry cleaning	20,273	17,168
	Banquet and decoration	15,887	18,630
	Transportation	11,038	10,284
	Uniforms	7,616	4,835
	Music and entertainment	4,588	4,497
	Others	22,671	22,420
		<u>2,129,194</u>	<u>2,021,818</u>

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Unaudited 30 Sep 2023
	[Rupees'000']	
<b>19 EARNINGS / (LOSS) PER SHARE</b>		
Profit / [loss] for the period [Rupees '000]	61,449	[151,955]
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170
Earnings / [loss] per share - basic [Rupees]	1.89	[4.67]
19.1 There is no dilution effect on the basic earnings per share of the Company.		
<b>20 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>		
Profit / [loss] before taxation	74,764	[89,549]
<b>Adjustments for:</b>		
Depreciation	224,256	219,842
Amortization	6,708	9,057
Gain on disposal of property, plant and equipment	[1,616]	[7,503]
Provision for staff retirement benefit - gratuity	28,964	32,243
Provision for compensated leave absences	9,828	5,014
Impairment loss on trade debts	3,815	30,916
Return on bank deposits / certificate of investments	[44,761]	[51,110]
Finance cost	466,633	463,293
Loss/ [gain] on remeasurement of investments to fair value	7,001	[14,190]
	774,992	597,413
<b>21 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	453,099	240,411
Short term borrowings	[1,813,482]	[2,285,944]
Accrued markup on short term borrowings	86,040	79,059
Accrued profit on bank deposits	[1,773]	[1,312]
	[1,276,116]	[1,967,786]

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated and subsidiary companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and provident fund. Detail of transactions and balances with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	30 Sep 2023	30 Sep 2022
	[Rupees'000]	
<b>Transactions with subsidiary companies</b>		
Sales	986	841
Services provided	3,799	2,560
Services availed	30,868	28,042
Refund of Advance against equity investment	150,000	201,000
<b>Balances as at the period / year end:</b>		
- Trade debts	11,409	*8,310
- Long term investments	1,037,794	*1,037,794
- Refundable against equity investment	1,143,071	*1,293,071
- Advances, deposits prepayments and other receivables	19	-
- Contract liabilities	26,330	*12,190
<b>Transactions with associated undertakings</b>		
Sales	1,246	181
Services provided	4,448	2,768
Services availed	122,191	113,983
Purchases	61,390	27,537
Franchise fee - income	1,948	1,178
<b>Balances as at the period / year end:</b>		
- Trade debts	79,620	*18,2023
- Advances, deposits prepayments and other receivables	36,644	*24,659
<b>Transactions with other related parties</b>		
Sales	277	8
Services provided	-	62
Services availed	11,581	7,282
Contribution to defined contribution plan - provident fund	17,574	15,743
<b>Balances as at the period / year end:</b>		
- Trade debts	602	*325
- Advances, deposits prepayments and other receivables	273	-
<b>Transactions with key management personnel</b>		
Remuneration and allowances including staff retirement benefits	137,214	111,355

\* Represents balances as at 30 June 2023.

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 23 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 23.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Amortized cost	Financial Liabilities Amortized cost					
<b>30 September 2023</b>									
<b>Financial assets measured at fair value</b>									
Shares of listed Companies	15	413,877	-	-	413,877	413,877	-	-	413,877
Long term deposits		19,130	-	-	19,130	-	-	-	-
Short term deposits		64,609	-	-	64,609	-	-	-	-
		<u>497,616</u>	<u>-</u>	<u>-</u>	<u>497,616</u>	<u>413,877</u>	<u>-</u>	<u>-</u>	<u>413,877</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	23.2	-	977,098	-	977,098	-	-	-	-
Contract assets		-	95,327	-	95,327	-	-	-	-
Advance to employees		-	4,728	-	4,728	-	-	-	-
Other receivables		-	118,908	-	118,908	-	-	-	-
Short term investments	15	-	712,579	-	712,579	-	-	-	-
Accrued interest		-	4,850	-	4,850	-	-	-	-
Cash and bank balances		-	453,099	-	453,099	-	-	-	-
		<u>-</u>	<u>2,366,589</u>	<u>-</u>	<u>2,366,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	5	-	-	12,694,542	12,694,542	-	-	-	-
Other non current liabilities		-	-	163,755	163,755	-	-	-	-
Short term borrowings	8	-	-	1,813,482	1,813,482	-	-	-	-
Lease liabilities	6	-	-	285,059	285,059	-	-	-	-
Trade and other payables	23.3	-	-	2,978,468	2,978,468	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>17,946,076</u>	<u>17,946,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2023</b>									
<b>Financial assets measured at fair value</b>									
Short term investments	15	420,879	-	-	420,879	420,879	-	-	420,879
Long term deposits		19,281	-	-	19,281	-	-	19,281	19,281
Short term deposits		21,431	-	-	21,431	-	-	21,431	21,431
		<u>461,591</u>	<u>-</u>	<u>-</u>	<u>461,591</u>	<u>420,879</u>	<u>-</u>	<u>40,712</u>	<u>461,591</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	23.2	-	939,652	-	939,652	-	-	-	-
Contract assets		-	20,620	-	20,620	-	-	-	-
Advance to employees		-	7,109	-	7,109	-	-	-	-
Other receivables		-	1,771,954	-	1,771,954	-	-	-	-
Short term investments	15	-	712,579	-	712,579	-	-	-	-
Accrued interest		-	3,514	-	3,514	-	-	-	-
Bank balances		-	354,809	-	354,809	-	-	-	-
		<u>-</u>	<u>3,810,237</u>	<u>-</u>	<u>3,810,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	5	-	-	12,166,083	12,166,083	-	-	-	-
Other non current liabilities		-	-	141,960	141,960	-	-	-	-
Short term borrowings	8	-	-	1,613,027	1,613,027	-	-	-	-
Lease liabilities	6	-	-	306,558	306,558	-	-	-	-
Trade and other payables	23.3	-	-	3,014,682	3,014,682	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>17,253,080</u>	<u>17,253,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

- 23.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.
- 23.3 It excludes, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.
- 24 DATE OF AUTHORISATION FOR ISSUE
- 24.1 These condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on 30 October 2023.



**M.A. Bawany**  
Director

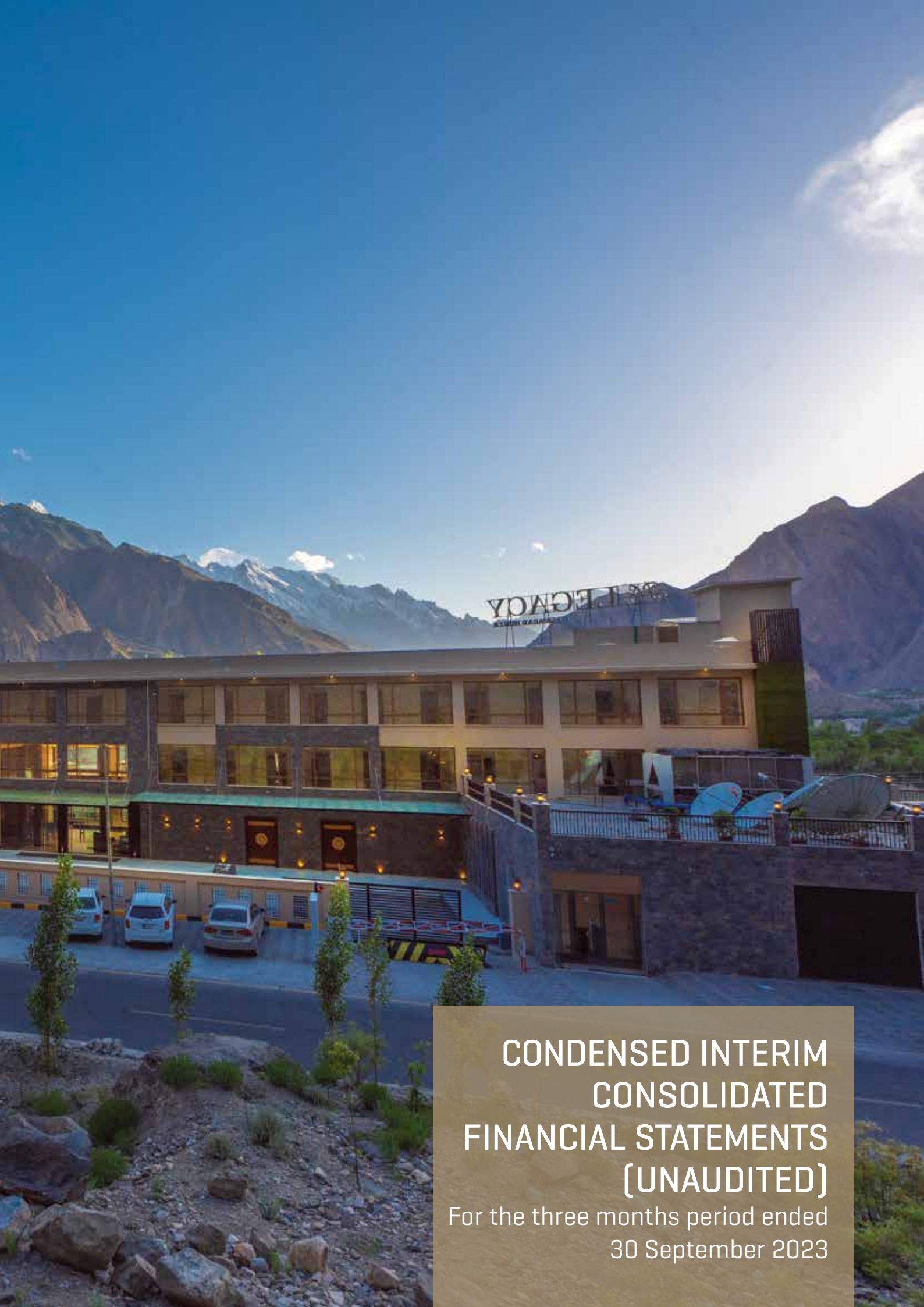


**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer





**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS  
[UNAUDITED]**

For the three months period ended  
30 September 2023

# Condensed Interim Consolidated Statement of Financial Position

## As at 30 September 2023

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		145,070	145,070
Revenue reserves		5,638,599	5,620,965
Revaluation surplus on property, plant and equipment		36,498,205	36,498,205
Equity attributable to owners		42,607,116	42,589,482
Non-controlling interest		105,237	117,667
<b>Total equity</b>		<b>42,712,353</b>	<b>42,707,149</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	6,441,721	1,882,050
Lease liabilities	6	230,998	248,909
Employee benefits		1,068,668	1,042,945
Deferred tax liability - net		608,735	633,007
Other non current liabilities	7	163,755	141,960
<b>Non - current liabilities</b>		<b>8,513,877</b>	<b>3,948,871</b>
Short term borrowings	8	2,805,988	2,576,960
Current portion of loans and borrowings	5	6,712,267	10,729,652
Current portion of lease liabilities	6	142,069	151,161
Trade and other payables	9	3,790,327	3,707,432
Contract liabilities		995,979	952,335
Advance against non-current assets held for sale		500,000	500,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>14,957,400</b>	<b>18,628,310</b>
<b>Total equity and liabilities</b>		<b>66,183,630</b>	<b>65,284,330</b>

**CONTINGENCIES AND COMMITMENTS**

10

The annexed notes 1 to 24 form an integral part of these condensed interim consolidated financial statements.



		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	11	47,038,782	46,576,613
Intangible asset	12	677,898	677,847
Advance for capital expenditure	13	1,350,252	1,189,494
Investment property		80,000	80,000
Long term investments		1,096,549	1,103,776
Advance against equity investment	14	-	-
Long term deposits		49,876	50,026
<b>Non - current assets</b>		<b>50,293,357</b>	<b>49,677,756</b>
Inventories		519,809	520,654
Development properties		1,855,488	2,005,487
Trade debts		1,020,281	987,640
Contract assets		95,327	20,620
Advances, prepayments, trade deposits and other receivables		989,863	790,940
Short term investments	15	726,406	725,755
Non-current assets held for sale	16	9,728,960	9,339,704
Advance tax - net		455,723	828,745
Cash and bank balances		498,416	387,029
<b>Current assets</b>		<b>15,890,273</b>	<b>15,606,574</b>
<b>Total assets</b>		<b>66,183,630</b>	<b>65,284,330</b>



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

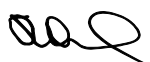
For the three months period ended 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		[Rupees'000]	
Revenue - net	17	3,605,271	3,238,288
Cost of sales and services	18	(2,184,996)	(2,105,639)
<b>Gross profit</b>		<b>1,420,275</b>	<b>1,132,649</b>
Other income		34,042	58,632
Administrative expenses		(971,800)	(910,005)
Impairment loss on trade debts		(3,815)	(30,916)
<b>Operating profit</b>		<b>478,702</b>	<b>250,360</b>
Finance income		(3,099)	42,836
Gain on remeasurement of investments to fair value - net		226	639
Finance cost		(488,330)	(477,981)
<b>Net finance cost</b>		<b>(491,203)</b>	<b>(434,506)</b>
Share of profit in equity accounted investments		33,165	27,412
<b>Profit / [loss] before taxation</b>		<b>20,664</b>	<b>(156,734)</b>
Income tax expense		(15,460)	(68,158)
<b>Profit / [loss] for the period</b>		<b>5,204</b>	<b>(224,892)</b>
Loss attributable to:			
Owners of the Company		17,634	(211,467)
Non-controlling interests		(12,430)	(13,425)
		5,204	(224,892)
Earnings / [loss] per share - basic and diluted] [Rupees]	19	0.54	(6.50)

The annexed notes 1 to 24 form an integral part of these condensed interim consolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the three months period ended 30 September 2023

	30 Sep 2023	30 Sep 2022
	[Rupees'000]	
Profit / (loss) for the period	5,204	[224,892]
Other comprehensive income for the period	-	-
Total comprehensive income for the period - (loss)	5,204	[224,892]
<b>Total comprehensive income- (loss) attributable to:</b>		
Owners of the Company	17,634	[211,467]
Non-controlling interests	[12,430]	[13,425]
	5,204	[224,892]

The annexed notes 1 to 24 form an integral part of these condensed interim consolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Cash Flows (Unaudited)


For the three months period ended 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	20	753,322	553,445
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Inventories		845	(42,017)
Development properties		149,999	-
Trade debts		(36,456)	(109,235)
Contract assets		(74,707)	(32,929)
Advances		(8,718)	(39,748)
Trade deposits and prepayments		(80,854)	(56,146)
Other receivables		(109,351)	(64,382)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		82,895	263,192
Non current liabilities		-	(3,415)
Contract liabilities		43,644	217,254
<b>Cash (used in)/ generated from operations</b>		<b>(32,703)</b>	<b>132,574</b>
Staff retirement benefit - gratuity paid		(6,035)	(12,369)
Compensated leave absences paid		(8,096)	(6,414)
Income tax refund / (paid)- net		333,291	(53,753)
Finance cost paid		(272,129)	(568,610)
<b>Net cash generated from operating activities</b>		<b>767,649</b>	<b>44,873</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(698,677)	(106,510)
Advance for capital expenditure		(160,758)	(20,194)
Payment for Intangible asset		(7,353)	(16,286)
Proceeds from disposal of property, plant and equipment		5,391	14,494
Short term investments		-	327,652
Advance against asset held for sale		(58,535)	(93,500)
Dividend income received		-	600
Receipts of return on bank deposits and short term investments		43,425	55,274
Long term deposits and prepayments		150	(1,535)
<b>Net cash (used in) / generated from investing activities</b>		<b>(876,357)</b>	<b>159,995</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	(484,956)
Proceeds from short term loan		28,572	70,862
Proceeds from allocation of rooms on long term basis		21,795	-
Lease liabilities paid		(27,003)	(34,530)
<b>Net cash generated / (used in) financing activities</b>		<b>23,364</b>	<b>(448,624)</b>
<b>Net decreases in cash and cash equivalents</b>		<b>(85,344)</b>	<b>(243,756)</b>
Cash and cash equivalents at beginning of the period		(1,145,455)	(1,627,920)
Cash and cash equivalents at end of the period	21	(1,230,799)	(1,871,676)

The annexed notes 1 to 24 form an integral part of these condensed interim consolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2023

	Capital reserve			Revenue reserves					Surplus on revaluation of property, plant and equipment	Total	Non-controlling interest	Total equity	
	Share capital	Share premium	Acquisition reserve	Shares of associates's capital reserve	General reserve	Fair value through other comprehensive income	Exchange translation reserve (net of tax)	Share of other OCI items of associate					Unappropriated profit
Adjusted balance at 01 July 2022	325,242	269,424	(271,575)	147,221	1,600,000	-	1,468,847	27,840	958,478	39,067,871	43,593,348	186,344	43,779,692
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(211,467)	-	(211,467)	(13,425)	(224,892)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(211,467)	-	(211,467)	(13,425)	(224,892)
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2022	325,242	269,424	(271,575)	147,221	1,600,000	-	1,468,847	27,840	747,011	39,067,871	43,381,881	172,919	43,554,800
Balance at 01 July 2023	325,242	269,424	(271,575)	147,221	1,600,000	19,678	2,170,394	3,125	1,827,768	36,498,205	42,589,482	117,667	42,707,149
Total comprehensive income for the period	-	-	-	-	-	-	-	-	17,634	-	17,634	(12,430)	5,204
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	17,634	-	17,634	(12,430)	5,204
Total comprehensive income for the period	-	-	-	-	-	-	-	-	17,634	-	17,634	(12,430)	5,204
Balance at 30 September 2023	325,242	269,424	(271,575)	147,221	1,600,000	19,678	2,170,394	3,125	1,845,402	36,498,205	42,607,116	105,237	42,712,353

The annexed notes 1 to 24 form an integral part of these condensed interim consolidated financial statements.



**M.A. Bawany**  
Director



**Shkir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 1 THE GROUP AND ITS OPERATIONS

Pakistan Services Limited [“the Parent Company”] was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a public limited Company and is quoted on Pakistan Stock Exchange Limited. The Parent Company’s registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Parent Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, and Muzaffarabad Azad Jammu & Kashmir. The Parent Company also grants franchise to use its trade mark and name “Pearl Continental”.

Further, the Parent Company is in the process of constructing hotels in Multan and Mirpur, Azad Jammu & Kashmir.

These condensed interim consolidated financial statements includes the condensed interim financial statements of the Parent Company and the following Subsidiary Companies together constituting “the Group”:

Subsidiary Companies	Nature of business	Holding
Pearl Tours and Travels (Private) Limited	Rent-a-car, tour packages and travel related work	100%
Pearl Continental Hotels (Private) Limited	Non-operational	100%
City Properties (Private) Limited (CPPL)	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%
Inveny (Private) Limited	Conglomerate	78.31% (through CPPL)
Foreepay (Private) Limited	Payment system related	78.26% (through Inveny)
Pak Vitae (Private) Limited	Clean water product	74.65% (through Inveny)

## 2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim consolidated financial statements do not include the information that was reported in annual audited consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements for the year ended 30 June 2023. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2023, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from unaudited interim consolidated financial statements for the three months period ended 30 September 2022.

These interim consolidated financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 2.1 Going concern basis of accounting

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue its operations and will discharge its liabilities including repayment of loans and interest thereon, in the normal course of business. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Management acknowledges that the manner and timing of all the assumptions and projected results envisaged in management's assessment and cash flow projection are always subject to unforeseen variability, and these may differ due to events and conditions outside the control of management, hence inherently an uncertainty remains on the manner of achievement of projected results, which may be material. However, in case due to unforeseen and uncontrollable events, the going concern assumption is no longer valid, this could have an impact on the Groups' ability to realize its assets, and to extinguish its liabilities in the normal course of business..

## 3 ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Significant accounting policies

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

### 3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of the Group for the year ended 30 June 2023.

#### Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the management.

Finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 3.3 Standards, interpretations and amendments to approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto effective for accounting periods beginning on or after 01 January 2024 :

- Amendments to IAS 1: Presentation of Financial Statements	[effective 01 January 2024]
- Amendments to IAS 7 and IFRS 7	[effective 01 January 2024]
- Amendments to IFRS-16: Leases	[effective 01 January 2024]

The above amendments are not likely to have an impact on the Group's interim consolidated financial statements.

## 4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Parent Company from 30 June 2023.

		Unaudited 30 Sep 2023	Audited 30 June 2023
	Note	(Rupees'000)	
<b>5 LOANS AND BORROWINGS - Secured</b>			
<b>a. Non current portion</b>			
Term Finance Loan - 1		1,915,649	1,915,649
Term Finance Loan - 2		1,333,333	1,333,333
Term Finance Loan - 3		1,600,000	1,600,000
Term Finance Loan - 4		351,050	351,050
Sukuk		5,751,166	5,751,166
Preference Shares		279,000	279,000
Term Finance Loan - 5		90,000	90,000
Transaction cost		(30,638)	(32,711)
		<b>11,289,560</b>	<b>11,287,487</b>
Current portion of loans		<b>(4,847,839)</b>	<b>(9,405,437)</b>
		<b>6,441,721</b>	<b>1,882,050</b>
<b>b. Current portion</b>			
Current portion of loans		4,847,839	9,405,437
Markup accrued		1,864,428	1,324,215
		<b>6,712,267</b>	<b>10,729,652</b>

5.1 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023.



# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

		Unaudited 30 Sep 2023	Audited 30 June 2023
		[Rupees'000]	
<b>6</b>	<b>LEASE LIABILITIES</b>		
	Opening	400,070	366,244
	Additions	-	83,286
	Interest expense	25,699	60,001
	Payments	(52,702)	(180,534)
	Transfer from Advance for Capex to Lease liability	-	71,073
	Closing	<u>373,067</u>	<u>400,070</u>
	Current portion	<u>142,069</u>	<u>151,161</u>
	Non-current portion	<u>230,998</u>	<u>248,909</u>
7	This represents advance amount received under long term room management arrangement on time sharing basis with a separate understanding for management of the room under an agreed rate of annual profit sharing, this advance amount is refundable upon completion of arrangement with 40% margin or the market value whichever is less, further the company will also provide complimentary nights under the arrangement, Initially the liability is carried at its fair value and subsequent to initial recognition this is being carried at it amortized cost.		
		Unaudited 30 Sep 2023	Audited 30 June 2023
<b>8</b>	<b>SHORT TERM BORROWINGS - secured</b>	[Rupees'000]	
		Note	
	Running finance facilities - banking companies	8.1	1,727,442
	Short term loan - unsecured	8.2	992,506
	Markup accrued		86,040
			<u>2,805,988</u>
8.1	The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023.		
8.2	This includes loan from directors Rs. 705.48 million (June 2023: Rs. 696.90 million) and from related parties Rs. 267.02 million (June 2023: Rs. 267.02) million.		
		Unaudited 30 Sep 2023	Audited 30 June 2023
<b>9</b>	<b>TRADE AND OTHER PAYABLES</b>	[Rupees'000']	
		Note	
	Creditors		1,673,332
	Accrued liabilities		999,965
	Shop deposits		50,795
	Retention money		151,460
	Due to related parties - unsecured		108,513
	Sales tax payable-net		355,689
	Income tax deducted at source		40,647
	Unearned income		27,881
	Payable to provident fund		7,877
	Other liabilities	9.1	374,168
			<u>3,790,327</u>
			<u>3,707,432</u>

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

9.1 This includes amount of Rs. 24.72 million [June 2023: Rs. 20.71 million] payable to directors of the parent company and Rs. 97.5 million [June 2023: Rs. 102.5 million] payable on behalf of a subsidiary.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

10.1.1 There is no change in the contingent liabilities as reported in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023 except for the following:

	Note	Unaudited 30 Sep 2023 (Rupees'000)	Audited 30 June 2023
10.1.2 Guarantees		333,586	330,336

10.1.2.1 This also includes guarantee of Rs.7 million on behalf of wholly owned subsidiary company.

10.1.2.2 The Group has issued corporate guarantee of Rs. 630 million [2022: 630 million] to financial institution on behalf of its Pak Vitae (Private) Limited, a subsidiary company of the Company's subsidiary.

	Note	Unaudited 30 Sep 2023 (Rupees'000)	Audited 30 June 2023
10.2 Commitments			

Commitments for capital expenditure

2,910,734

2,915,776

## 11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

11.1

42,491,142

42,705,243

Capital work in progress

11.2

4,547,640

3,871,370

47,038,782

46,576,613

### 11.1 Operating fixed assets

Carrying amount at beginning of the period / year

42,705,243

45,964,339

Additions during the period / year

11.2.2

22,696

311,098

Transfer from Capital work in progress

-

1,162,574

Asset classified as held for sale

-

[3,768,347]

Transfer to CWIP

[289]

[1,154]

Disposal during the period / year

[3,775]

[40,584]

Depreciation charge for the period / year

11.2.2

[232,733]

[922,683]

Carrying amount at end of the period / year

42,491,142

42,705,243

### 11.2 Capital work in progress

Carrying amount at beginning of the period / year

3,871,370

3,730,842

Additions during the period / year

676,270

1,345,749

Transferred to operating fixed assets

-

[1,162,574]

Transfers to asset held for sale

-

[42,647]

Carrying amount at end of the period / year

11.2.1

4,547,640

3,871,370

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Audited 30 June 2023
<b>11.2.1 Closing capital work in progress represents:</b>	Note	[Rupees'000]
Construction of Pearl Continental Mirpur	3,657,243	3,654,757
Other civil works	890,397	216,613
	<u>4,547,640</u>	<u>3,871,370</u>

11.2.2 Additions in and depreciation on property, plant and equipment during the three months period ended 30 September 2022 were Rs. 87.84 million and Rs. 228.16 million respectively.

	Unaudited 30 Sep 2023	Audited 30 June 2023
<b>12 INTANGIBLE ASSET</b>	[Rupees'000]	
Project under development	593,153	586,394
Software	84,745	91,453
	<u>677,898</u>	<u>677,847</u>
<b>Cost</b>		
Opening balance	789,462	712,432
Additions : Project under development	7,353	23,520
Additions : Project under development	-	40,024
Additions : Software	-	13,486
Closing balance	<u>796,815</u>	<u>789,462</u>
<b>Accumulated amortisation</b>		
Opening balance	111,615	77,320
Amortisation charge	7,302	34,295
Closing balance	<u>118,917</u>	<u>111,615</u>
<b>Net book value</b>		
Cost	796,815	789,462
Accumulated amortisation	118,917	111,615
Closing balance	<u>677,898</u>	<u>677,847</u>
<b>Amortisation rate per annum</b>		
Project under development	5% to 10%	5% to 10%
Software	30%	30%

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

		Unaudited 30 Sep 2023	Audited 30 June 2023
		[Rupees'000]	
<b>13 ADVANCE FOR CAPITAL EXPENDITURE</b>			
Advance for purchase of land	13.1	668,820	668,820
Advance for purchase of Malir Delta Land	13.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		<b>1,010,476</b>	<b>1,010,476</b>
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		206,561	45,803
Advances for Pearl Continental Mirpur Project		133,215	133,215
		<b>339,776</b>	<b>179,018</b>
		<b>1,350,252</b>	<b>1,189,494</b>

13.1 This includes amount of Rs. 626.82 million [30 June 2023: Rs. 626.82 million] paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar, in previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Parent Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Parent Company to place the matter before the shareholders of the Parent Company in the general meeting and seek their approval in terms of section 199 of the Companies Act, 2017. The directors of the Parent Company has filed an appeal in the Honorable Islamabad High Court against the order of SECP. Simultaneously, without prejudice to the right of the Appellants, the management and Board have complied with the directions of SECP in this regard.

13.2 This represents amount paid for purchase of 1/3rd share [113.34 acres of land] from Ms. Seema Tressa Gill's situated in Deh Dih in the Delta of Malir River. The Parent Company relying upon the representation of good title by Ms. Seema Tressa Gill entered into a Agreement to Sale with her 1/3rd share [113.34 acres land] against a total sale consideration of Rs 80 million which was followed by registered documents inter-alia includes a Deed of Conveyance. The relevant documents provide for indemnification by the Seller's against all losses, detriments occasioned to or sustained/suffered by the Purchaser due to any defect in the title of the Seller. The Parent Company also paid regularization fee amounting to Rs. 301.65 million to the Land Utilization Department Govt. of Sindh on her behalf through Challan.

Legal proceedings of the above said piece of land were instituted in the Courts of Law, the Parent Company being aggrieved and dissatisfied with a impugned judgment of High Court against dismissal of its Constitution Petition has filed a Civil Petition for Leave to Appeal (CPLA) before Hon'ble Supreme Court of Pakistan and presently the matter is pending adjudication before the Apex Court and Parent Company is diligently pursuing the same. The Parent Company is hopeful of a favorable result. However, even if there is an adverse decision as per legal opinion, the Parent Company would be entitled to recover the amounts from the Seller as well as from the relevant Government Department. In this regard the paid Challan for regularization fee also states that ""Subject to the condition that the land in question is available on site and the lease money may be deposited into Government Treasury in the relevant Head of Accounts by the depositor at his own risk. In case if any irregularity/false information/ concealment of facts / stay of court is noticed hereafter, the malkano amount paid to this effect by the depositor shall be reimbursed.

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

		Unaudited 30 Sep 2023	Unaudited 30 Sep 2022
		[Rupees'000']	
<b>14</b>	<b>ADVANCE AGAINST EQUITY INVESTMENT</b>		
	Xoop Technologies (Private) Limited Impairment allowance	-	248,278 [248,278]
	Home Shopping Impairment allowance	-	116,124 [116,124]
<b>15</b>	<b>SHORT TERM INVESTMENTS</b>		
	<i>Fair value through other comprehensive income</i>		
	National Technology Development Corporation Limited	200	200
	Indus Valley Solvent Oil Extraction Limited	500	500
	Impairment loss	[700]	[700]
		-	-
	<i>Amortized cost</i>		
	Term deposit receipt	637,579	637,579
	Term Finance certificate	75,000	75,000
	Mutual Fund	3,703	3,703
	Accrued interest	3,077	2,652
		719,359	718,934
	<i>Financial assets at fair value through profit or loss</i>		
	Shares of listed Companies	7,047	6,821
		726,406	725,755
<b>16</b>	<b>NON CURRENT ASSET HELD FOR SALE</b>		
	Properties - Survey No. 8, Civil Line, Karachi	3,766,242	3,766,242
	Under construction hotel Pearl Continental Multan	5,962,718	5,573,462
		9,728,960	9,339,704
		Unaudited 30 Sep 2023	Unaudited 30 Sep 2022
<b>17</b>	<b>REVENUE - NET</b>	Note	[Rupees'000']
	Rooms		1,842,553
	Food and beverages		1,497,886
	Other related services	17.1	1,862,231
	Franchise & management fee revenue		267,630
	Vehicle rentals		309,405
	Shop license fees		34,771
			14,322
			59,979
			57,525
			9,048
			12,683
			4,289,847
	Discounts and commissions		3,754,052
	Sales tax		[117,630]
			[83,393]
			[566,946]
			[432,371]
			3,605,271
			3,238,288
17.1	This includes revenue from telephone, laundry, discount cards and other ancillary services.		

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Unaudited 30 Sep 2022
	[Rupees'000]	
<b>18 COST OF SALES AND SERVICES</b>		
<b>Food and beverages</b>		
Opening balance	186,720	150,527
Purchases during the year	544,854	592,419
Closing balance	[158,403]	[148,484]
Consumption during the year	573,171	594,462
<b>Direct expenses</b>		
Salaries, wages and benefits	589,639	501,207
Heat, light and power	479,205	490,334
Repair and maintenance	115,990	97,516
Depreciation	188,221	187,420
Amortization	6,037	8,151
Guest supplies	81,511	62,575
Linen, china and glassware	41,429	27,303
Communication	1,759	2,729
Laundry and dry cleaning	20,273	17,168
Banquet and decoration	15,887	18,630
Transportation	1,792	2,132
Uniforms	7,616	4,835
Music and entertainment	4,588	4,497
Insurance	827	818
Vehicle operating Expense	26,404	22,210
Vehicle Rental and Registration Charges	5,463	12,991
Others	25,184	50,661
	<u>2,184,996</u>	<u>2,105,639</u>

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

	Unaudited 30 Sep 2023	Unaudited 30 Sep 2022
	(Rupees'000)	
<b>19 EARNINGS / [LOSS] PER SHARE</b>		
Profit / [loss] for the period	17,634	[211,467]
Weighted average number of ordinary shares (Numbers)	32,524,170	32,524,170
Earnings / [loss] per share - basic (Rupees)	0.54	[6.50]
19.1 There is no dilution effect on the basic earnings per share of the Company.		
<b>20 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>		
Profit / [loss] before taxation	20,664	[156,734]
Adjustments for:		
Depreciation	232,733	228,161
Amortization	7,302	9,340
Loss/ [Gain] on disposal of property, plant and equipment	[1,616]	[7,503]
Provision for staff retirement benefit - gratuity	29,958	33,254
Provision for compensated leave absences	9,897	5,082
Impairment/ [reversal] loss on trade debts	3,815	30,916
Return on bank deposits / certificate of investments	[44,761]	[52,262]
Finance cost	488,330	477,981
Dividend income	-	[600]
Gain on remeasurement of investments to fair value	[226]	[639]
Share of gain in equity accounted investment-net	[33,165]	[27,412]
Impairment on investment in associated company	40,391	13,861
	753,322	553,445
<b>21 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	498,416	336,611
Short term borrowings	[1,727,442]	[2,206,886]
Accrued profit on bank deposits	[1,773]	[1,401]
	[1,230,799]	[1,871,676]

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and provident fund. Detail of transactions and balances with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	30 Sep 2023	30 Sep 2022
	[Rupees'000]	
<b>Transactions with associated undertakings</b>		
Sales	1,246	181
Services provided	22,355	18,655
Services availed	125,778	119,484
Purchases	62,177	27,970
Franchise fee - income	1,948	1,178
<b>Balances as at the period end:</b>		
- Trade debts	99,311	* 34,698
- Trade Advances, deposits and prepayments	37,724	* 25,739
- Advance against issuance of shares		
<b>Transactions with other related parties</b>		
Sales	277	8
Services provided	-	62
Services availed	11,581	7,282
Contribution to defined contribution plan - provident fund	17,574	15,743
<b>Balances as at the period end:</b>		
- Trade debts	602	* 325
- Advance for capital expenditure	626,820	* 626,820
- Trade Advances, deposits and prepayments	273	-
<b>Transactions with key management personnel</b>		
Remuneration and allowances including staff retirement benefits	139,857	128,470
Loan from key management personnel during the period	28,572	70,850

\* Represents balances as at 30 June 2023.



# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

## 23 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 23.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount				Fair value				
		Amount in Rs'000				Total	Level 1	Level 2	Level 3	Total
		Financial Assets		Financial Liabilities						
		Fair value through profit or loss	Fair value through OCI	Amortized cost	Amortized cost					
<b>30 September 2023</b>										
<b>Financial assets measured at fair value</b>										
Shares of listed Companies	15	7,047	-	-	-	7,047	7,047	-	-	7,047
Long term deposits		49,876	-	-	-	49,876	-	-	-	-
Short term deposits		64,913	-	-	-	64,913	-	-	-	-
		<u>121,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,836</u>	<u>7,047</u>	<u>-</u>	<u>-</u>	<u>7,047</u>
<b>Financial assets not measured at fair value</b>										
Trade debts	23.2	-	-	1,020,281	-	1,020,281	-	-	-	-
Contract assets		-	-	95,327	-	95,327	-	-	-	-
Advance to employees		-	-	33,635	-	33,635	-	-	-	-
Other receivables		-	-	167,053	-	167,053	-	-	-	-
Short term investments	15	-	-	716,282	-	716,282	-	-	-	-
Accrued interest		-	-	4,850	-	4,850	-	-	-	-
Cash and bank balances		-	-	498,416	-	498,416	-	-	-	-
		<u>-</u>	<u>-</u>	<u>2,535,844</u>	<u>-</u>	<u>2,535,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>										
Loans and borrowings	5	-	-	-	13,184,626	13,184,626	-	-	-	-
Other non-current liabilities		-	-	-	163,755	163,755	-	-	-	-
Short term borrowings	8	-	-	-	2,805,988	2,805,988	-	-	-	-
Lease liabilities	6	-	-	-	373,067	373,067	-	-	-	-
Trade and other payables	23.3	-	-	-	3,366,110	3,366,110	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>19,904,316</u>	<u>19,904,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2023</b>										
<b>Financial assets measured at fair value</b>										
Short term investments	15	6,821	-	-	-	6,821	6,821	-	-	6,821
Long term investment		-	689,718	-	-	689,718	-	689,718	-	689,718
Long term deposits		50,026	-	-	-	50,026	-	-	-	-
Short term deposits		22,018	-	-	-	22,018	-	-	-	-
		<u>78,865</u>	<u>689,718</u>	<u>-</u>	<u>-</u>	<u>768,583</u>	<u>6,821</u>	<u>689,718</u>	<u>-</u>	<u>696,539</u>
<b>Financial assets not measured at fair value</b>										
Trade debts	23.2	-	-	987,640	-	987,640	-	-	-	-
Contract assets		-	-	20,620	-	20,620	-	-	-	-
Advance to employees		-	-	29,583	-	29,583	-	-	-	-
Other receivables		-	-	184,946	-	184,946	-	-	-	-
Short term investments	15	-	-	716,282	-	716,282	-	-	-	-
Accrued interest		-	-	3,703	-	3,703	-	-	-	-
Cash and bank balances		-	-	387,029	-	387,029	-	-	-	-
		<u>-</u>	<u>-</u>	<u>2,329,803</u>	<u>-</u>	<u>2,329,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>										
Loans and borrowings	5	-	-	-	12,644,413	12,644,413	-	-	-	-
Other non-current liabilities		-	-	-	141,960	141,960	-	-	-	-
Short term borrowings	8	-	-	-	2,576,960	2,576,960	-	-	-	-
Lease liabilities	6	-	-	-	400,070	400,070	-	-	-	-
Trade and other payables	23.3	-	-	-	3,374,759	3,374,759	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>19,148,932</u>	<u>19,148,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2023

- 23.2 The Group has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.
- 23.3 It excludes, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.

## 24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company in its meeting held on 30 October 2023.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer





PAKISTAN SERVICES LTD.

OWNERS AND OPERATORS OF



Pearl-Continental

HOTELS & RESORTS

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