



**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022



Pearl-Continental Hotel, Muzaffarabad



Pearl-Continental
HOTELS & RESORTS

CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the Nine months period ended 31 March 2022



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 7 luxury hotels in Karachi, Lahore, Rawalpindi, Peshawar, Bhurban, Muzaffarabad and Malam Jabba comprising 1,618 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	

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

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

AUDIT COMMITTEE

Mr. M. Ahmed Ghazali Marghoob	Chairman
Mr. Shahid Hussain	
Ms. Ayesha Khan	

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. Ahmed Ghazali Marghoob	Chairman
Mr. Murtaza Hashwani	
Ms. Ayesha Khan	

BANKERS

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

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>

CHIEF FINANCIAL OFFICER

Mr. Tahir Mahmood

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 nine months period ended 31 March 2022.

Economic Overview

The global economy is flourishing in post covid era and economic activity across the globe is gaining momentum, however inflation is one of the most worrying components for the world economists.

The economy of Pakistan is on the path to recovery with noticeable growth indicators in the same. Pakistan is one of the countries who dispensed the pandemic exceptionally well. The economic indicators are mostly positive with consistent growth pace, although the economic recovery is underway, but there is domestic and international geopolitical situation changing over the course of time, the new government setup is under formation process, and it is expected that new economic reforms and policies will be introduced by the incoming government to curb inflation and bring stability to domestic economy.

The inflation, and external sectors risks are building macroeconomic imbalances and to control hyper inflationary outlook the State Bank of Pakistan has raised the policy rate by a cumulative 250 basis points, which will have substantial financial impact in terms of finance cost associated with the financial facilities availed by the company.

Overall performance of the Company

During the period under review the company operated occasionally with its full capacity in wake of Pandemic restrictions from time to time.

During the nine-month period ended 31 March 2022, the Company recorded revenue [net] of Rs. 9,277 million, as compared to Rs. 5,513 million registered in the corresponding period of the last year whereas the gross profit for the period under report registered at Rs. 4,135 million as compared to Rs. 1,881 million of comparative period of the last year. The profit before tax is Rs. 1,130 million as compared to loss of Rs. 261 million of corresponding period of last year.

Highlights of Performance:

	For the Nine months' period ended 31 March	
	2022	2021
	[Rupees million]	
Sales and Services – net	9,277	5,513
Gross profit	4,135	1,881
Profit / [Loss] before taxation	1,130	[261]
Profit / [Loss] after taxation	996	[178]
Profit / [Loss] per share [Rupees]	30.64	[5.48]

Performance of Rooms Department

During the period Rooms Revenue-net was recorded at Rs. 3,726 million as against Rs. 2,248 million of the corresponding period of last year.

Performance of Food & Beverage (F&B) Department

Net revenue from this segment has been recorded at Rs. 4,986 million for the period under review as compared to Rs. 2,784 million of same period last year.

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

From this segment of business net revenue of Rs. 565 million has been achieved as compared to Rs. 481 million of the comparative period revenues

Prospects

Restriction on travel and tourism have also been relaxed, sports activities are back in Pakistan, Australian cricket team just completed its Pakistan tour and besides a successful event of Pakistan Super League concluded a month ago. Increase in economic and tourism activities are expected to bring a positive impact on the business activities in Pakistan, and your company being a leader in the hospitality industry of Pakistan will definitely harvest the forthcoming business opportunities.

Consolidated Results

During the current period, the group recorded a revenue (net) of Rs. 9,401 million as compared to Rs. 5,642 million of the same period last year. Profit after taxation is recorded at Rs. 824 million in comparison with loss of Rs. 251 million of the corresponding period of the previous year.

Acknowledgement

On behalf of the Board, we thank the Company's staff for their dedicated professional services and their wholehearted efforts and contribution, which helped in bringing the results back on track. We also extend our thanks to our consultants, bankers, and shareholders and in particular the Government Authorities for their advice, understanding, and support that is critical for the success of our programs, projects, and business operations, finally, our valued guests, who encourage and expect from the company and its staff to provide the best level of products and services to win their continued support and patronage.

For and on behalf of the Board of Directors,



M.A. Bawany
Director



Shakir Abu Bakar
Director

Islamabad: 25 April, 2022

ڈائریکٹرز رپورٹ

محترم حصص داران:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز 31 مارچ 2022 کو ختم ہونیوالی نو ماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

اقتصادی جائزہ:

عالمی معیشت کو وڈ کے بعد کی صورتحال میں ترقی کر رہی ہے اور معاشی سرگرمیاں پوری دنیا میں بحالی کی جانب ہیں، تاہم عالمی اقتصادی ماہرین کے لئے بڑھتی ہوئی مہنگائی ایک پریشان کن عمل ہے۔

پاکستان کی معیشت بحالی کی جانب ہے اور اقتصادی اشارے نمایاں اضافے کی نشاندہی ہیں۔ پاکستان کا شمار ان ممالک میں ہوتا ہے جنہوں نے کو وڈ کے خلاف موثر اقدامات کیے۔ اقتصادی انڈیکس مسلسل ترقی کے ساتھ مثبت ہے۔ اگرچہ معیشت بحالی کی جانب ہے، لیکن ملکی اور بین الاقوامی جغرافیائی سیاسی صورتحال بدل رہی ہے، نیا حکومتی سیٹ اپ تشکیل کے مراحل میں ہے اور افراط زر کنٹرول کرنے اور معاشی صورتحال میں استحکام کیلئے نئی معاشی اصلاحات اور پالیسیاں متوقع ہیں۔

افراط زر اور بیرون شعبوں کے اشارے میکرو اکنامک عدم توازن پیدا کر رہے ہیں، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 250 بیس پوائنٹ کا اضافہ کیا ہے۔ جس کی وجہ سے کمپنی کی مالیاتی اخراجات میں اضافہ ہوگا۔

کمپنی کی مجموعی کارکردگی:

زیر جائزہ مدت میں کمپنی نے وبائی پابندیوں کے پیش نظر وقتاً فوقتاً اپنی پوری صلاحیت کے ساتھ کام کیا۔ 31 مارچ 2022 کو ختم ہونیوالی نو ماہی مدت کے دوران کمپنی نے 9,277 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 5,513 ملین روپے تھے۔

کمپنی کا مجموعی منافع 4,135 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 1,881 ملین روپے تھا۔ قبل از ٹیکس منافع گزشتہ برس کے اسی عرصے کے 261 ملین خسارے کے مقابلے میں 1,130 ملین روپے ریکارڈ کیا گیا۔

کارکردگی کی جھلکیاں:

	نوماہی مدت اختتام 31 مارچ	
	2022	2021
	(ملین روپے)	
فروخت اور خدمات (خالص)	9,277	5,513
کل منافع	4,135	1,881
منافع / خسارہ قبل از ٹیکس	1,130	(261)
منافع / خسارہ بعد از ٹیکس	996	(178)
نی حصہ آمدنی / (خسارہ) (روپے میں)	30.64	(5.48)

رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 2,248 ملین روپے کی نسبت آمدنی (خالص) 3,726 ملین روپے ریکارڈ کی گئی۔

فوڈ اینڈ بیورٹیج (F&B) ڈیپارٹمنٹ کی کارکردگی:

اس شعبے کی خالص آمدن 4,986 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصے کے مقابلے میں 2,784 ملین روپے تھی۔

دیگر متعلقہ خدمات لائسنس فیس / ٹریول و ٹورز ڈویژن کی کارکردگی:

اس شعبے میں زیر جائزہ عرصے کے دوران میں 565 ملین روپے کی آمدنی (خالص) حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصے کے مقابلے میں 481 ملین روپے تھی۔

مستقبل کے امکانات:

سیروسیاحت پر پابندیوں میں کمی آئی ہے، پاکستان میں کھیلوں کی سرگرمیاں بھی بحال ہوئی ہیں، پاکستان سپر لیگ کے کامیاب انعقاد کے

بعد آسٹریلیا کرکٹ ٹیم نے پاکستان کا دورہ مکمل کیا ہے۔ ملک میں سیاحتی اور معاشی سرگرمیوں میں اضافہ متوقع ہے جو کہ ملک میں کاروباری سرگرمیوں میں مثبت اضافہ ہوگا اور اپنی کمپنی مہمان نوازی کی صنعت میں بطور لیڈر کے آنے والے کاروباری مواقع سے فائدہ حاصل کرے گی۔

مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے 9,401 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں 5,642 ملین روپے تھے۔ گزشتہ برس کے 251 ملین روپے بعد از ٹیکس خسارہ کی نسبت موجودہ عرصہ میں 824 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 شکر گزار 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



شاہد بوکر

ڈائریکٹر



ایم۔ اے باوانی

ڈائریکٹر

اسلام آباد: 25 اپریل 2022



Pearl-Continental Hotel, Peshawar



**CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

For the Nine months period ended 31 March 2022

Condensed Interim Unconsolidated Statement of Financial Position

As at 31 March 2022

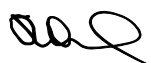
		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000]	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		5,806,548	4,810,061
Revaluation surplus on property, plant and equipment		29,105,049	29,105,049
Total equity		35,506,263	34,509,776
LIABILITIES			
Loans and borrowings	5	9,219,176	11,338,247
Lease liabilities	6	113,544	129,287
Deferred government grant		7,672	21,004
Employee benefits		769,151	684,741
Other non current liabilities		11,996	18,801
Non - current liabilities		10,121,539	12,192,080
Short term borrowings	7	2,195,503	2,612,631
Current portion of loans and borrowings	5	4,568,142	3,057,314
Current portion of lease liabilities	6	33,276	89,241
Trade and other payables	8	2,041,250	2,045,151
Contract liabilities		640,816	512,381
Advance against non-current assets held for sale		400,000	-
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		9,889,757	8,327,488
Total equity and liabilities		55,517,559	55,029,344
CONTINGENCIES AND COMMITMENTS	9		

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

	Note	Unaudited 31 March 2022 [Rupees'000]	Audited 30 June 2021
ASSETS			
Property, plant and equipment	10	39,498,415	39,716,318
Advance for capital expenditure	11	1,111,166	1,104,612
Intangible asset	12	133,598	75,585
Investment property		70,000	70,000
Long term investments		1,037,794	1,037,794
Advance against equity investment	13	2,582,071	3,325,571
Long term deposits and prepayments		21,295	28,181
Deffered tax assets-net		136,958	79,502
Non - current assets		44,591,297	45,437,563
Inventories		357,407	355,806
Trade debts		1,149,527	404,972
Contract assets		85,966	22,863
Advances, prepayments, trade deposits and other receivables		450,016	298,225
Short term investments	14	1,211,452	1,288,487
Assets held for sale	15	6,915,482	6,442,198
Advance tax - net		455,529	495,508
Cash and bank balances		300,883	283,722
Current assets		10,926,262	9,591,781
Total assets		55,517,559	55,029,344



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)

For the Nine months period ended 31 March 2022

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2022	2021	2022	2021
[Rupees'000]					
Revenue - net	16	3,512,191	2,205,803	9,276,961	5,513,033
Cost of sales and services	17	[1,796,724]	[1,368,191]	[5,142,312]	[3,631,986]
Gross profit		1,715,467	837,612	4,134,649	1,881,047
Other income		51,962	39,005	124,990	215,070
Administrative expenses		[776,183]	[532,351]	[2,058,859]	[1,497,289]
[Impairment] / reversal of loss on trade debts		[56,670]	3,556	[117,151]	[35,555]
Operating profit		934,576	347,822	2,083,629	563,273
Finance income		74,513	65,581	100,201	86,510
Unrealised [loss] / gain on remeasurement of investments to fair value - net		[86,040]	[46,375]	[77,701]	46,782
Finance cost		[367,951]	[260,346]	[976,222]	[957,175]
Net finance cost		[379,478]	[241,140]	[953,722]	[823,883]
Profit/[loss] before taxation		555,098	106,682	1,129,907	[260,610]
Income tax		20,969	14,689	[133,420]	82,292
Profit/[loss] for the period		576,067	121,371	996,487	[178,318]
Earnings/[loss] per share - basic and diluted [Rupees]	18	17.71	3.73	30.64	[5.48]

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 Nine months period ended 31 March 2022

	Three months period ended 31 March		Nine months period ended 31 March	
	2022	2021	2022	2021
	[Rupees'000]			
Profit/(loss) for the period	576,067	121,371	996,487	[178,318]
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period - [loss]	576,067	121,371	996,487	[178,318]

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)

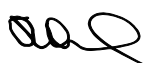
For the Nine months period ended 31 March 2022

	Note	31 March 2022	31 March 2021
		[Rupees'000]	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities before working capital changes	19	3,073,605	1,437,323
Working capital changes			
(Increase) / decrease in current assets			
Inventories		[1,601]	[75,140]
Trade debts		[861,706]	[219,842]
Contract assets		[63,103]	[11,488]
Advances		[12,619]	[6,930]
Trade deposits and prepayments		[37,420]	6,148
Other receivables		[41,525]	70,662
Increase / (decrease) in current liabilities			
Trade and other payables		[35,474]	[365,866]
Non current liabilities		[6,805]	21,506
Contract liabilities		128,435	138,188
Cash used in operations		[931,818]	[442,762]
Staff retirement benefit - gratuity paid		[32,066]	[67,616]
Compensated leave absences paid		[17,482]	[42,673]
Income tax paid		[150,897]	[90,221]
Finance cost paid		[1,474,799]	[256,431]
Net cash generated from operating activities		466,543	537,620
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		[666,170]	[594,668]
Advance for capital expenditure		[6,554]	[28,668]
Payment for Intangible asset		[60,626]	[35,903]
Proceeds from disposal of property, plant and equipment		175,308	53,496
Refund against equity investment		743,500	77,000
Advance against asset held for sale		400,000	200,000
Addition in asset held for sale		[233,068]	-
Proceed from asset held for sale		-	149,136
Dividend income received		225	-
Receipts of return on bank deposits and short term investments		42,185	39,364
Long term deposits and prepayments		6,886	641
Net cash generated / (used in) investing activities		401,686	[139,602]
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		[340,162]	[100,000]
Proceeds from long term financing		-	29,136
Lease liabilities paid		[71,708]	[87,564]
Transaction cost paid		[8,200]	[8,200]
Repayment of loan to director		-	[150,000]
Net cash used in financing activities		[420,070]	[316,628]
Net increase in cash and cash equivalents		448,159	81,390
Cash and cash equivalents at beginning of the period		[2,294,564]	[2,228,578]
Cash and cash equivalents at end of the period	20	[1,846,405]	[2,147,188]

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 Nine months period ended 31 March 2022

	Share capital	Capital reserve	Surplus on revaluation of property, plant and equipment	Revenue reserves		Total equity
				General reserve	Unappropriated profit	
[Rupees'000]						
Balance at 01 July 2020	325,242	269,424	29,243,030	1,600,000	3,487,599	34,925,295
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(178,318)	(178,318)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period - [loss]	-	-	-	-	(178,318)	(178,318)
Balance at 31 March 2021	325,242	269,424	29,243,030	1,600,000	3,309,281	34,746,977
Balance at 01 July 2021	325,242	269,424	29,105,049	1,600,000	3,210,061	34,509,776
Total comprehensive income for the period						
Profit for the period	-	-	-	-	996,487	996,487
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	996,487	996,487
Balance at 31 March 2022	325,242	269,424	29,105,049	1,600,000	4,206,548	35,506,263

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 Nine months period ended 31 March 2022

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, Peshawar 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 2021. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2021, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from unaudited interim unconsolidated financial statements for the nine months period ended 31 March 2021.

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.

The Company’s current liabilities exceeded current assets (excluding non-current assets held for sale) by Rs. 5,878 million as at 31 March 2022. The Company’s operations were affected due to lock down and measures taken by the Government of Pakistan in response to COVID-19 outbreak in the prior years which resulted in closing of the hotel properties for the period from March 2020 to August 2020.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

The situation emerged due to the outbreak of COVID 19 has significantly improved in current period as the Company has earned profit after tax of Rs. 996 million as compared to a loss after tax of Rs. 178 million in the comparative period.

Management acknowledges that material uncertainty remains over the Company's ability to meet its funding requirements. However, as described above, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Company is unable to continue as going concern, then this could have an impact on the Company's ability to realize 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 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 2021.

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 2021.

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).

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

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 2022 :

- Amendments to IAS 1: Presentation of Financial Statements	[effective 01 January 2023]
- Amendments to IAS 8: Accounting policies, Changes in accounting estimates and errors	[effective 01 January 2023]
- Amendments to IAS 12: Income Taxes	[effective 01 January 2023]
- Amendments to IAS 16: Property, Plant and Equipment	[effective 01 January 2022]
- Amendments to IFRS 3: Business Combinations	[effective 01 January 2022]
- Annual improvement 2018-2020 , IFRS-9	[effective 01 January 2022]
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	[effective 01 January 2022]

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 2021.

	Unaudited 31 March 2022	Audited 30 June 2021
	[Rupees'000]	
5 LOANS AND BORROWINGS - Secured		
a. Non current portion		
Term Finance Loan - 1	534,036	539,515
Term Finance Loan - 2	1,662,520	1,679,577
Term Finance Loan - 3	1,833,333	1,932,879
Term Finance Loan - 4	1,984,476	1,984,476
Term Finance Loan - 5	144,850	284,040
Sukuk	6,390,184	6,455,742
Transaction cost	[30,652]	[28,056]
	<u>12,518,747</u>	<u>12,848,173</u>
Current portion of loans	[3,606,209]	[2,334,690]
	<u>8,912,538</u>	<u>10,513,483</u>
Markup accrued - non current	306,638	824,764
	<u>9,219,176</u>	<u>11,338,247</u>
b. Current portion		
Current portion of loans	3,606,209	2,334,690
Markup accrued	961,933	722,624
	<u>4,568,142</u>	<u>3,057,314</u>

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 2021 .

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

	Note	Unaudited 31 March 2022	Audited 30 June 2021
		(Rupees'000')	
6 LEASE LIABILITIES			
Opening		218,528	315,482
Interest expenses		13,776	24,097
Additions during the period/ year		-	5,038
Lease payments		(85,484)	(124,005)
Lease modification		-	(2,084)
Closing		146,820	218,528
Current portion		33,276	89,241
Non-current portion		113,544	129,287
7 SHORT TERM BORROWINGS - secured			
Running finance facilities - banking companies	7.1	2,146,020	2,578,000
Markup accrued		49,483	34,631
		2,195,503	2,612,631

7.1 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 2021 except settlement of facility amounting to Rs. 300 million during the period.

	Note	Unaudited 31 March 2022	Audited 30 June 2021
		(Rupees'000')	
8 TRADE AND OTHER PAYABLES			
Creditors		800,211	886,185
Accrued liabilities		615,263	490,551
Shop deposits		50,503	49,743
Retention money		159,908	141,683
Due to related parties - unsecured		30,750	36,020
Sales tax payable		152,291	117,915
Income tax deducted at source		2,628	3,497
Unearned income		31,100	52,605
Other liabilities	8.1	198,596	266,952
		2,041,250	2,045,151

8.1 This includes amount of Rs. 42.81 [30 June 2021: Rs. 63.91] million payable to directors. During the period amount of Rs. 21.10 million has been paid to director.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 There is no change in the contingent liabilities as reported in the annual audited unconsolidated financial statements for the year ended 30 June 2021 except for the following:

	Note	Unaudited 31 March 2022 (Rupees'000)	Audited 30 June 2021
9.1.2 Guarantees		329,061	310,342
9.2 Commitments			
Commitments for capital expenditure		3,232,506	3,789,933
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	35,559,448	36,036,481
Capital work in progress	10.2	3,938,967	3,679,837
		39,498,415	39,716,318
10.1 Operating fixed assets			
Carrying amount at beginning of the period / year		36,036,481	37,059,317
Additions during the period / year	10.2.2	23,338	121,283
Lease termination during the period/year		-	(23,714)
Transfer from Capital work in progress	10.2.2	383,702	691,969
Asset classified as held for sale		-	(815,116)
Disposal during the period / year		(181,340)	(1,773)
Depreciation charge for the period / year	10.2.2	(702,733)	(995,485)
Carrying amount at end of the period / year		35,559,448	36,036,481
10.2 Capital work in progress			
Carrying amount at beginning of the period / year		3,679,837	6,679,529
Additions during the period / year		642,832	1,045,220
Transferred to operating fixed assets		(383,702)	(691,969)
Transferred to non current asset held for sale		-	(3,258,553)
Write off adjustment		-	(94,390)
Carrying amount at end of the period / year	10.2.1	3,938,967	3,679,837
10.2.1 Closing capital work in progress represents:			
Construction of Pearl Continental Mirpur		3,651,111	3,574,120
Other civil works		287,856	105,717
		3,938,967	3,679,837

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2021 were Rs. 515.09 million and Rs. 748.30 million respectively.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

	Note	Unaudited 31 March 2022	Audited 30 June 2021
		[Rupees'000]	
11 ADVANCE FOR CAPITAL EXPENDITURE			
Advance for purchase of land	11.1	666,820	666,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,008,476	1,008,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		23,664	11,087
Advances for Pearl Continental Mirpur Project		79,026	85,049
		102,690	96,136
		1,111,166	1,104,612

11.1 This includes amount of Rs. 626.82 million [30 June 2021: 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.

11.2 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 Nine months period ended 31 March 2022

		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000']	
12 INTANGIBLE ASSET			
Software		133,598	75,585
Cost			
Opening balance		107,978	107,978
Additions	12.1	92,202	-
Closing balance		200,180	107,978
Accumulated amortisation			
Opening balance		32,393	-
Amortisation charge		34,189	32,393
Closing balance		66,582	32,393
Net book value			
Cost		200,180	107,978
Accumulated amortisation		(66,582)	(32,393)
Closing balance		133,598	75,585
Amortisation rate per annum		30%	30%

12.1 This represents the computer software acquired during the period. The purchase consideration is payable in monthly installments over a period of one year and the outstanding liability of Rs. 31.58 million is included in the trade and other payables.

13 ADVANCE AGAINST EQUITY INVESTMENT

This represents advance against equity investment of Rs. 1,748.07 million (30 June 2021: Rs.2,371.57) and Rs. 834 million (30 June 2021: Rs. 954) extended by the Company to its wholly owned subsidiary companies City Properties (Private) Limited and Elite Properties (Private) Limited respectively.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

14 SHORT TERM INVESTMENTS	Note	Unaudited 31 March 2022	Audited 30 June 2021
[Rupees'000']			
<i>Amortized cost</i>			
Certificate of investments		5,300	5,300
Impairment loss		(5,300)	(5,300)
		-	-
<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		565,523	565,523
Term Finance certificate		75,000	75,000
Accrued interest		7,717	7,050
		648,240	647,573
<i>Financial assets at fair value through profit or loss</i>			
Shares of listed Companies	14.1	563,212	640,914
		<u>1,211,452</u>	<u>1,288,487</u>

14.1 This mainly includes investment in an associated company having carrying value of Rs. 557.09 million [30 June 2021: Rs. 633.13 million].

14.1.1 Out of total shares 15,056,661 held by the Company in an associated company, 15,000,000 [30 June 2021: 15,000,000] ordinary shares are placed / lien marked as security against running finance facility availed by the Company.

15 NON CURRENT ASSET HELD FOR SALE	Unaudited 31 March 2022	Audited 30 June 2021
[Rupees'000']		
Property-Survey No. 8, Civil Line, Karachi	2,748,739	2,748,739
Under Construction Hotel Pearl Continental Multan	4,166,742	3,693,459
	<u>6,915,482</u>	<u>6,442,198</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

16 REVENUE - NET	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2022	2021	2022	2021
		[Rupees'000']			
Rooms		1,721,297	1,065,085	4,351,681	2,662,763
Food and beverages		2,125,239	1,305,843	5,871,290	3,269,661
Other related services	16.1	203,085	147,176	620,636	434,425
Shop license fees		15,391	11,028	45,465	31,509
Franchise & management fee revenue		16,621	54,663	48,176	106,442
		<u>4,081,633</u>	<u>2,583,795</u>	<u>10,937,248</u>	<u>6,504,800</u>
Discounts		[29,751]	[47,684]	[211,334]	[127,057]
Sales tax		[539,691]	[330,308]	[1,448,953]	[864,710]
		<u>3,512,191</u>	<u>2,205,803</u>	<u>9,276,961</u>	<u>5,513,033</u>

16.1 This includes revenue from telephone, laundry, discount cards and other ancillary services.

17 COST OF SALES AND SERVICES	Three months period ended 31 March		Nine months period ended 31 March	
	2022	2021	2022	2021
	[Rupees'000]			
Food and beverages				
Opening balance	130,621	95,881	92,327	68,592
Purchases during the period	621,759	428,893	1,733,485	1,103,283
Closing balance	[114,056]	[104,452]	[114,056]	[104,452]
Consumption during the period	<u>638,324</u>	<u>420,322</u>	<u>1,711,756</u>	<u>1,067,423</u>
Direct expenses				
Salaries, wages and benefits	400,602	310,280	1,153,128	796,055
Heat, light and power	269,355	183,688	834,837	518,453
Repair and maintenance	104,643	70,382	276,725	190,183
Depreciation	192,091	205,350	583,397	620,984
Amortization	12,516	7,288	30,770	21,865
Guest supplies	60,328	59,058	187,994	140,505
Linen, china and glassware	29,618	25,456	90,185	51,692
Communication	1,883	1,842	6,429	4,899
Laundry and dry cleaning	14,252	13,049	52,600	36,358
Banquet and decoration	18,085	14,467	55,908	26,254
Transportation	15,740	9,740	32,234	18,279
Uniforms	3,201	3,378	10,778	10,017
Music and entertainment	3,580	3,365	10,723	8,688
Others	32,506	40,526	104,848	120,331
	<u>1,796,724</u>	<u>1,368,191</u>	<u>5,142,312</u>	<u>3,631,986</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

	Three months period ended 31 March		Nine months period ended 31 March	
	2022	2021	2022	2021
18 EARNINGS / [LOSS] PER SHARE	[Rupees'000]			
Profit / [loss] for the period [Rupees '000]	576,067	121,371	996,487	[178,318]
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170	32,524,170	32,524,170
Earnings / [loss] per share - basic [Rupees]	17.71	3.73	30.64	[5.48]

18.1 There is no dilution effect on the basic earnings per share of the Company.

19 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	Nine months period ended 31 March	
	2022	2021
	[Rupees'000]	
Profit/[loss] before tax	1,129,907	[260,610]
Adjustments for:		
Depreciation	702,733	748,299
Amortization	34,189	24,294
Loss / [Gain] on disposal of property, plant and equipment	6,031	[28,517]
Provision for staff retirement benefit - gratuity	78,976	68,321
Provision for compensated leave absences	54,981	28,220
Impairment/ [reversal] loss on trade debts	117,151	35,555
Return on bank deposits / certificate of investments	[43,834]	[34,798]
Finance cost	976,222	957,175
Dividend income	[60,452]	[52,698]
Gain on disposal of held for sale asset	-	[1,136]
Unrealised loss / [gain] on remeasurement of investments to fair value	77,701	[46,782]
	3,073,605	1,437,323
20 CASH AND CASH EQUIVALENTS		
Cash and bank balances	300,883	372,238
Short term borrowings	[2,195,503]	[2,565,191]
Accrued markup on short term borrowings	49,483	46,610
Accrued profit on bank deposits	[1,268]	[845]
	[1,846,405]	[2,147,188]

21 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:

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

Nine months period ended
31 March
2022 2021
[Rupees'000]

Transactions with subsidiary companies

Sales	2,163	1,395
Services provided	11,611	3,661
Services availed	64,948	35,034
Refund of Advance against equity investment	743,500	77,000
Fund received/current account	20,000	-
Fund repaid/current account	20,000	-

Balances as at the period end:

- Trade debts	8,842	*2,469
- Long term investments	1,037,794	* 1,037,794

Transactions with associated undertakings

Sales	336	226
Services provided	14,299	2,940
Services availed	292,903	184,997
Purchases	59,952	74,681
Franchise fee - income	3,640	2,608
Franchise and management fee - expense	-	4,530
Dividend income	60,452	52,698

Balances as at the period end:

- Trade debts	11,440	*7,572
- Advances, deposits and prepayments	5,533	*17,465
- Dividend receivable	60,452	-

Transactions with other related parties

Sales	923	619
Services provided	144	417
Services availed	2,803	18,019
Purchases	-	4,223
Contribution to defined contribution plan - provident fund	39,130	31,803
Purchase of Fixed asset	-	35,803

Balances as at the period end:

- Trade debts	998	*473
- Advance for capital expenditure	626,820	*626,820

Transactions with key management personnel

Remuneration and allowances including staff retirement benefits	281,801	111,942
Refund of loan to key management personnel	-	150,000
Payable to key management personnel	42,805	* 65,249

* Represents balances as at 30 June 2021.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

22.1 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					
31 March 2022									
Financial assets measured at fair value									
Shares of listed Companies	14	563,212	-	-	563,212	563,212	-	-	563,212
Long term deposits		21,296	-	-	21,296	-	-	21,296	21,296
Short term deposits		16,095	-	-	16,095	-	-	16,095	16,095
		<u>600,603</u>	<u>-</u>	<u>-</u>	<u>600,603</u>	<u>563,212</u>	<u>-</u>	<u>37,391</u>	<u>600,603</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	1,149,527	-	1,149,527	-	-	-	-
Contract assets		-	85,966	-	85,966	-	-	-	-
Advance to employees		-	12,244	-	12,244	-	-	-	-
Other receivables		-	300,743	-	300,743	-	-	-	-
Short term investments	14	-	640,523	-	640,523	-	-	-	-
Accrued interest		-	8,985	-	8,985	-	-	-	-
Cash and bank balances		-	300,883	-	300,883	-	-	-	-
		<u>-</u>	<u>2,498,871</u>	<u>-</u>	<u>2,498,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	22.2	-	-	13,817,970	13,817,970	-	-	-	-
Short term borrowings	7	-	-	2,195,503	2,195,503	-	-	-	-
Lease liabilities	6	-	-	146,820	146,820	-	-	-	-
Trade and other payables	22.3	-	-	1,855,231	1,855,231	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>18,026,294</u>	<u>18,026,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2021									
Financial assets measured at fair value									
Short term investments	14	640,914	-	-	640,914	640,914	-	-	640,914
Long term deposits		28,181	-	-	28,181	-	-	28,181	28,181
Short term deposits		15,143	-	-	15,143	-	-	15,143	15,143
		<u>684,238</u>	<u>-</u>	<u>-</u>	<u>684,238</u>	<u>640,914</u>	<u>-</u>	<u>43,324</u>	<u>684,238</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	404,972	-	404,972	-	-	-	-
Contract assets		-	22,863	-	22,863	-	-	-	-
Advance to employees		-	7,942	-	7,942	-	-	-	-
Other receivables		-	58,153	-	58,153	-	-	-	-
Short term investments	14	-	640,523	-	640,523	-	-	-	-
Cash and bank balances		-	283,722	-	283,722	-	-	-	-
		<u>-</u>	<u>1,418,175</u>	<u>-</u>	<u>1,418,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	22.2	-	-	14,423,617	14,423,617	-	-	-	-
Other non current liabilities	5	-	-	18,801	18,801	-	-	-	-
Short term borrowings	7	-	-	2,612,631	2,612,631	-	-	-	-
Lease liabilities	6	-	-	218,528	218,528	-	-	-	-
Trade and other payables	22.3	-	-	1,871,134	1,871,134	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,155,481</u>	<u>19,155,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

- 22.2 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.
- 22.3 It excludes, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.

23 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation. Following reclassification have been made during the period:

Description of item	Reclassified from	Reclassified to	Amount [Rupees'000]
Franchise & management fee	Other Income	Revenue	106,442

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 25 April, 2022.



M.A. Bawany
Director



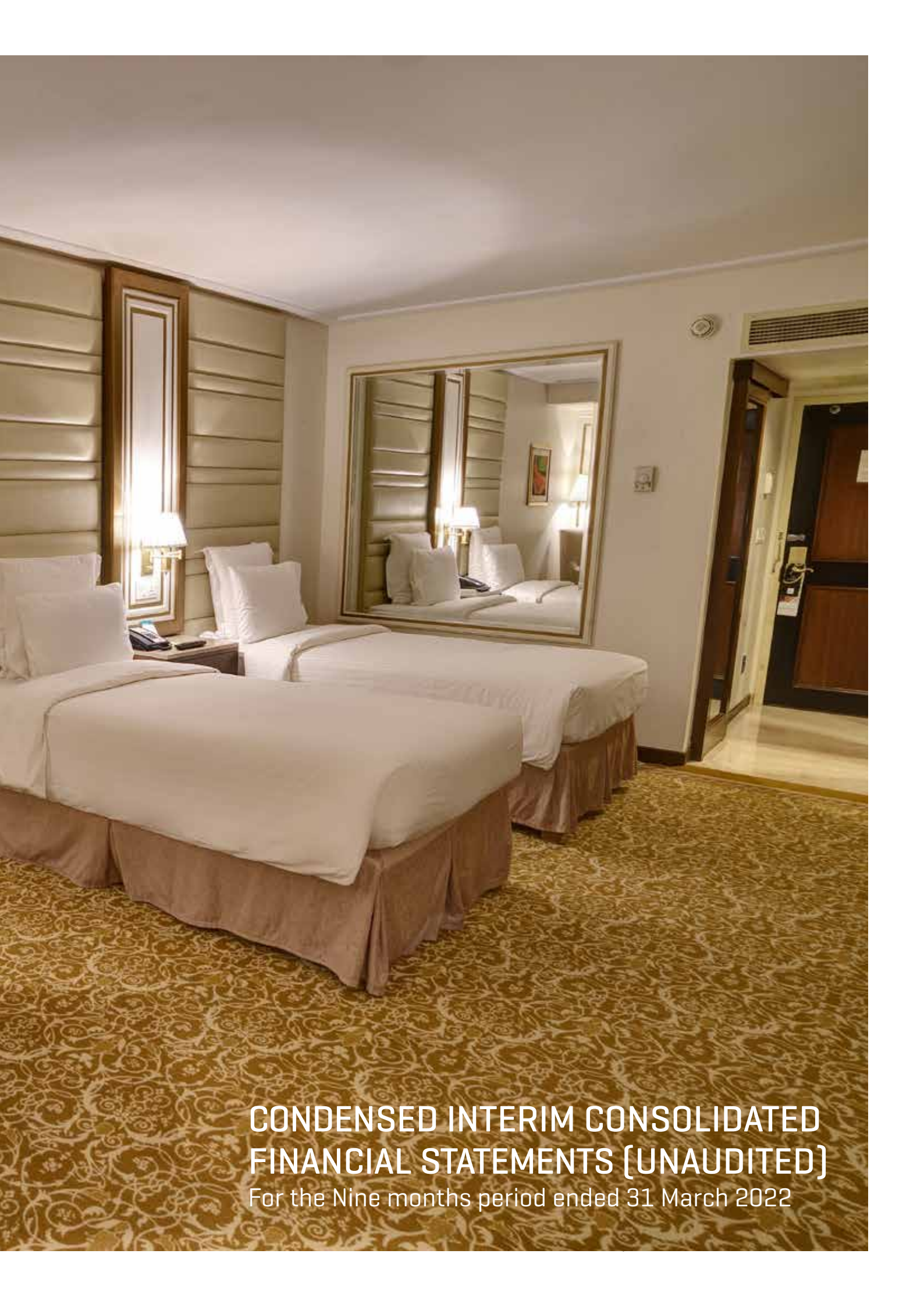
Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer



Pearl-Continental Hotel, Karachi



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS [UNAUDITED]**
For the Nine months period ended 31 March 2022

Condensed Interim Consolidated Statement of Financial Position

As at 31 March 2022


		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000]	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		416,645	416,645
Revenue reserves		4,804,413	3,943,858
Revaluation surplus on property, plant and equipment		29,105,050	29,105,050
Equity attributable to owners		34,651,350	33,790,795
Non-controlling interest		109,531	187,871
Total equity		34,760,881	33,978,666
LIABILITIES			
Loans and borrowings	5	9,498,749	11,619,133
Lease liabilities	6	150,752	130,958
Deferred government grant		7,769	21,333
Employee benefits		831,098	715,161
Deferred tax liability - net		174,423	231,963
Other non current liabilities		11,996	18,801
Non - current liabilities		10,674,787	12,737,349
Short term borrowings	7	3,098,039	3,139,289
Current portion of loans and borrowings	5	4,618,705	3,077,891
Current portion of lease liabilities	6	47,638	108,699
Trade and other payables	8	2,353,232	2,143,586
Contract liabilities		1,437,816	512,381
Advance against non-current assets held for sale	15	400,000	-
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		11,966,200	8,992,616
Total equity and liabilities		57,401,868	55,708,631
CONTINGENCIES AND COMMITMENTS	9		

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

		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000]	
ASSETS			
Property, plant and equipment	10	39,656,701	39,821,824
Intangible asset	11	631,200	252,320
Advance for capital expenditure	12	1,156,920	1,104,612
Investment property		70,000	70,000
Long term investments		557,096	633,133
Advance against equity investment	13	364,440	925,139
Long term deposits and prepayments		54,441	28,181
Goodwill	22	267,791	-
Non - current assets		42,758,589	42,835,209
Inventories		370,733	358,918
Development properties		3,772,040	3,692,801
Trade debts		1,207,421	418,084
Contract assets		85,966	22,863
Advances, prepayments, trade deposits and other receivables		465,308	337,719
Short term investments	14	657,898	658,453
Assets held for sale	15	6,915,482	6,442,198
Advance tax - net		510,308	548,272
Cash and bank balances		658,123	394,114
Current assets		14,643,279	12,873,422
Total assets		57,401,868	55,708,631



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

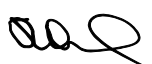
For the Nine months period ended 31 March 2022

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2022	2021	2022	2021
[Rupees'000]					
Revenue - net	16	3,581,757	2,217,535	9,401,435	5,641,993
Cost of sales and services	17	[1,869,629]	[1,377,354]	[5,262,448]	[3,761,495]
Gross profit		1,712,128	840,181	4,138,987	1,880,498
Other income		51,986	64,215	125,154	240,492
Administrative expenses		[836,639]	[561,542]	[2,210,169]	[1,571,784]
[Impairment]/ reversal of loss on trade debts		[56,670]	3,556	[117,151]	[35,555]
Operating profit		870,805	346,410	1,936,821	513,651
Finance income		[26,921]	[12,066]	[23,300]	40,516
Unrealised [loss] / gain on remeasurement of investments to fair value - net		[217]	300	[1,664]	1,612
Finance cost		[379,667]	[261,048]	[1,011,212]	[959,874]
Net finance cost		[406,805]	[272,814]	[1,036,176]	[917,746]
Share of profit in equity accounted investments		25,260	28,414	59,070	73,527
Profit / [Loss] before taxation		489,260	102,010	959,715	[330,568]
Income tax		18,368	10,529	[136,191]	79,241
Profit / [Loss] for the period		507,628	112,539	823,524	[251,327]
Profit / [Loss] attributable to:					
Owners of the Company		526,898	127,709	868,222	[230,393]
Non-controlling interests		[19,270]	[15,170]	[44,698]	[20,934]
		507,628	112,539	823,524	[251,327]

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 Nine months period ended 31 March 2022

	Three months period ended 31 March		Nine months period ended 31 March	
	2022	2021	2022	2021
	[Rupees'000]			
Profit / [Loss] for the period	507,628	112,539	823,524	[251,327]
Surplus on remeasurement of available for sale securities	[7,667]	3,398	[7,667]	20,080
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period - [loss]	499,961	115,937	815,857	[231,247]
Total comprehensive income- [loss] attributable to:				
Owners of the Company	519,231	131,107	860,555	[210,313]
Non-controlling interests	[19,270]	[15,170]	[44,698]	[20,934]
	499,961	115,937	815,857	[231,247]

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 Nine months period ended 31 March 2022

	Note	Nine months period ended 31 March	
		2022	2021
		[Rupees'000]	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities before working capital changes	18	2,979,871	1,381,015
Working capital changes			
[(Increase) / decrease in current assets]			
Inventories		[11,815]	[76,766]
Development properties		[79,239]	75,095
Trade debts		[906,488]	[210,028]
Contract assets		[63,103]	[11,488]
Advances		11,629	[58,319]
Trade deposits and prepayments		[36,840]	3,911
Other receivables		[42,151]	23,413
Increase / [(decrease) in current liabilities]			
Trade and other payables		178,073	[553,340]
Non current liabilities		[6,805]	21,506
Contract liabilities		925,435	138,188
Cash used in operations		[31,304]	[647,828]
Staff retirement benefit - gratuity paid		[32,298]	[75,769]
Compensated leave absences paid		[17,560]	[43,186]
Income tax paid		[155,761]	[98,255]
Finance cost paid		[1,478,552]	[259,080]
Net cash generated from operating activities		1,264,397	256,897
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		[688,925]	[597,180]
Advance for capital expenditure		[52,308]	[28,668]
Payment for Intangible asset		[382,343]	[51,398]
Proceeds from disposal of property, plant and equipment		175,309	85,565
Acquisition of a subsidiary, net of cash		[342,119]	-
Advance against equity investment		560,699	[241,145]
Short term investments		[442]	[24]
Advance against asset held for sale		400,000	200,000
Proceed from asset held for sale		-	149,136
Addition in asset held for sale		[233,068]	-
Dividend income received		225	-
Receipts of return on bank deposits and short term investments		46,155	41,995
Long term deposits and prepayments		[26,260]	640
Net cash used in investing activities		[543,077]	[441,079]
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		[342,966]	[100,000]
Proceeds from long term financing		-	314,906
Proceeds from short term loan		375,878	194,928
Advance against issuance of shares		40,686	49,503
Lease liabilities paid		[91,674]	[103,269]
Transaction cost paid		[8,200]	[8,200]
Net cash (used in) / generated from financing activities		[26,276]	347,868
Net increase in cash and cash equivalents		695,044	163,686
Cash and cash equivalents at beginning of the period		[2,184,209]	[2,141,192]
Cash and cash equivalents at end of the period	19	[1,489,165]	[1,977,506]

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)

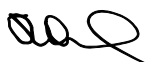
For the Nine months period ended 31 March 2022

	Capital reserve		Revenue reserves				Surplus on revaluation of property, plant and equipment	Total	Non controlling Interest	Total Equity	
	Share capital	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Share of other OCI items of associate					Unappropriated profit
	(Rupees'000)										
Balance at 01 July 2020	325,242	269,424	147,221	1,600,000	1,137,393	46,808	1,636,629	29,243,031	34,405,748	79,909	34,485,657
Total comprehensive income for the period											
Loss for the period	-	-	-	-	-	20,080	(230,393)	-	(210,313)	(20,934)	(231,247)
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	49,503	49,503
Total comprehensive income for the period - loss	-	-	-	-	-	20,080	(230,393)	-	(210,313)	28,569	(181,744)
Balance at 31 March 2021	325,242	269,424	147,221	1,600,000	1,137,393	66,888	1,406,236	29,243,031	34,195,435	108,478	34,303,913
Balance at 01 July 2021	325,242	269,424	147,221	1,600,000	1,050,550	49,004	1,244,304	29,105,050	33,790,795	187,871	33,978,666
Total comprehensive income for the period											
Loss for the period	-	-	-	-	-	(7,667)	868,222	-	860,555	(44,698)	815,857
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	40,686	40,686
NCI on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(74,328)	(74,328)
Total comprehensive income for the period - loss	-	-	-	-	-	(7,667)	868,222	-	860,555	(78,340)	782,215
Balance at 31 March 2022	325,242	269,424	147,221	1,600,000	1,050,550	41,337	2,112,526	29,105,050	34,651,350	109,531	34,760,881

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

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, Peshawar 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	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%

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 2021. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2021, 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 nine months period ended 31 March 2021.

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.

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.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

The Groups's current liabilities exceeded current assets (excluding non-current assets held for sale) by Rs. 4,238 million as at 31 March 2022. The Company's operations were affected due to lock down and measures taken by the Government of Pakistan in response to COVID-19 outbreak in the prior years which resulted in closing of the hotel properties for the period from March 2020 to August 2020.

The situation emerged due to the outbreak of COVID 19 has significantly improved in current period as the Group has earned profit after tax of Rs. 824 million as compared to a loss after tax of Rs. 251 million in the comparative period

Management acknowledges that material uncertainty remains over the Group's ability to meet its funding requirements. However, as described above, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Group is unable to continue as going concern, then this could have an impact on the Group's ability to realize 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 2021.

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 Parent Company for the year ended 30 June 2021.

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).

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

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 will be effective for accounting periods beginning on or after 01 January 2022 :

- Amendments to IAS 1: Presentation of Financial Statements	[effective 01 January 2023]
- Amendments to IAS 8: Accounting policies, Changes in accounting estimates and errors	[effective 01 January 2023]
- Amendments to IAS 12: Income Taxes	[effective 01 January 2023]
- Amendments to IAS 16: Property, Plant and Equipment	[effective 01 January 2022]
- Amendments to IFRS 3: Business Combinations	[effective 01 January 2022]
- Annual improvement 2018-2020 , IFRS-9	[effective 01 January 2022]
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	[effective 01 January 2022]

The above amendments are not likely to have an impact on these 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 2021.

	Unaudited 31 March 2022	Audited 30 June 2021
	[Rupees'000]	
5 LOANS AND BORROWINGS - Secured		
a. Non - current portion		
Term Finance Loan - 1	534,036	539,515
Term Finance Loan - 2	1,662,520	1,679,577
Term Finance Loan - 3	1,833,333	1,932,879
Term Finance Loan - 4	1,984,476	1,984,476
Term Finance Loan - 5	147,751	289,513
Sukuk	6,390,184	6,455,742
Preference Shares	279,000	279,000
Transaction cost	[30,652]	[28,056]
	<u>12,800,648</u>	<u>13,132,646</u>
Current portion of loans	[3,608,537]	[2,338,277]
	<u>9,192,111</u>	<u>10,794,369</u>
Markup accrued	306,638	824,764
	<u>9,498,749</u>	<u>11,619,133</u>
b. Current portion		
Current portion of loans	3,608,537	2,338,277
Markup accrued	1,010,168	739,614
	<u>4,618,705</u>	<u>3,077,891</u>

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 2021.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000']	
6 LEASE LIABILITIES			
Opening		239,657	359,084
Additions during the period/ year		50,407	5,692
Interest		16,948	26,886
Payments		(108,622)	(148,452)
Lease modification		-	(3,553)
Closing		<u>198,390</u>	<u>239,657</u>
Current portion		<u>47,638</u>	<u>108,699</u>
Non-current portion		<u>150,752</u>	<u>130,958</u>
7 SHORT TERM BORROWINGS - secured			
Running finance facilities - banking companies	7.1	2,146,020	2,578,000
Short term loan - unsecured	7.2	902,536	526,658
Markup accrued		49,483	34,631
		<u>3,098,039</u>	<u>3,139,289</u>

7.1 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 2021 except settlement of facility amounting to Rs. 300 million.

7.2 This includes loan from directors of the parent Company Rs. 431.09 [30 June 2021: 172.59] million and from related parties Rs. 346.44 [30 June 2021 : Rs. 354.06] million.

		Unaudited 31 March 2022	Audited 30 June 2021
	Note	[Rupees'000']	
8 TRADE AND OTHER PAYABLES			
Creditors		893,467	899,765
Accrued liabilities		667,543	494,469
Shop deposits		50,503	49,743
Retention money		159,908	141,683
Due to related parties - unsecured		40,359	40,687
Sales tax payable-net		152,291	117,915
Income tax deducted at source		33,525	14,087
Unearned income		31,100	52,605
Payable to provident fund		7,717	7,604
Other liabilities	8.1	316,819	325,029
		<u>2,353,232</u>	<u>2,143,586</u>

8.1 This includes amount of Rs. 42.81 [30 June 2021: Rs. 63.91] million payable to directors of the parent company. During the period amount of Rs. 21.10 million has been paid to director.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 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 2021 except for the following:

	Note	Unaudited 31 March 2022 [Rupees'000]	Audited 30 June 2021
9.1.2 Guarantees		330,197	311,478
9.2 Commitments			
Commitments for capital expenditure		3,346,787	3,789,933
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	35,717,734	36,141,987
Capital work in progress	10.2	3,938,967	3,679,837
		39,656,701	39,821,824
10.1 Operating fixed assets			
Carrying amount at beginning of the period / year		36,141,987	37,191,636
Additions during the period / year	10.2.2	96,500	124,822
Transfer from Capital work in progress		383,702	691,969
Lease termination		-	[24,995]
Asset classified as held for sale		-	[815,115]
Disposal during the period / year		[181,340]	[8,659]
Depreciation charge for the period / year	10.2.2	[723,115]	[1,017,671]
Carrying amount at end of the period / year		35,717,734	36,141,987
10.2 Capital work in progress			
Carrying amount at beginning of the period / year		3,679,837	6,679,529
Additions during the period / year		642,832	1,045,220
Transferred to operating fixed assets		[383,702]	[691,969]
Transferred to non current asset held for sale		-	[3,258,553]
Written down adjustment		-	[94,390]
Carrying amount at end of the period / year	10.2.1	3,938,967	3,679,837
10.2.1 Closing capital work in progress represents:			
Construction of Pearl Continental Mirpur		3,651,111	3,574,120
Other civil works		287,856	105,717
		3,938,967	3,679,837

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2021 were Rs. 517.61 million and Rs. 765.44 million respectively.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

11 INTANGIBLE ASSET	Note	Unaudited 31 March 2022	Audited 30 June 2021
		[Rupees'000']	
Project under development		497,602	176,736
Software	11.1	133,598	75,584
		631,200	252,320
Cost			
Opening balance		284,713	160,930
Additions: Project under development		321,714	15,806
Additions: Software		92,202	107,977
Closing balance		698,629	284,713
Accumulated amortisation			
Opening balance		32,393	-
Amortisation charge		35,036	32,393
Closing balance		67,429	32,393
Net book value			
Cost		698,629	284,713
Accumulated amortisation		67,429	32,393
Closing balance		631,200	252,320
Amortisation rate per annum			
Project under development		5%	5%
Software		30%	30%

- 11.1 This includes the computer software of Rs. 92.20 million, acquired by the Parent Company during the period. The purchase consideration is payable in monthly installments over a period of one year and the outstanding liability of Rs. 31.58 million is included in the trade and other payables.

12 ADVANCE FOR CAPITAL EXPENDITURE	Note	Unaudited 31 March 2022	Audited 30 June 2021
		[Rupees'000']	
Advance for purchase of land	12.1	666,820	666,820
Advance for purchase of Malir Delta Land	12.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,008,476	1,008,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		69,418	11,087
Advances for Pearl Continental Mirpur Project		79,026	85,049
		148,444	96,136
		1,156,920	1,104,612

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

- 12.1 This includes amount of Rs. 626.82 million [30 June 2021: 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.
- 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 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.

	Unaudited 31 March 2022	Audited 30 June 2021
	[Rupees'000]	
13 ADVANCE AGAINST EQUITY INVESTMENT		
Foreepay (Private) Limited	-	678,530
Xoop Technologies (Private) Limited	248,316	246,609
Home Shopping	116,124	-
	364,440	925,139

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

		Unaudited 31 March 2022	Audited 30 June 2021
		[Rupees'000]	
14	SHORT TERM INVESTMENTS		
	<i>Amortized cost</i>		
	Certificate of investments	5,300	5,300
	Impairment loss	(5,300)	(5,300)
		-	-
	<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	565,523	565,523
	Term Finance certificate	75,000	75,000
	Mutual Fund	3,542	3,099
	Accrued interest	7,717	7,050
		651,782	650,672
	<i>Financial assets at fair value through profit or loss</i>		
	Shares of listed Companies	6,116	7,781
		657,898	658,453
15	NON CURRENT ASSET HELD FOR SALE		
	Properties - Survey No. 8, Civil Line, Karachi	2,748,739	2,748,739
	Under construction hotel Pearl Continental Multan	4,166,742	3,693,459
		6,915,482	6,442,198

		Three months period ended 31 March		Nine months period ended 31 March	
		2022	2021	2022	2021
		[Rupees'000']			
16	REVENUE - NET				
	Rooms	1,715,999	1,063,488	4,340,134	2,659,102
	Food and beverages	2,124,432	1,305,181	5,869,108	3,268,263
	Other related services	212,170	149,761	639,099	537,471
	Vehicle rentals	66,586	16,651	145,896	47,938
	Shop license fees	15,391	11,028	45,465	31,509
	Franchise & management fee revenue	16,621	54,663	48,176	106,442
		4,151,199	2,600,772	11,087,878	6,650,725
	Discounts and commissions	(29,751)	(50,055)	(221,701)	(134,582)
	Sales tax	(539,691)	(333,182)	(1,464,742)	(874,150)
		3,581,757	2,217,535	9,401,435	5,641,993

16.1 This includes revenue from telephone, laundry, discount cards and other ancillary services.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

17	COST OF SALES AND SERVICES	Three months period ended 31 March		Nine months period ended 31 March	
		2022	2021	2022	2021
		[Rupees'000]			
	Food and beverages				
	Opening balance	130,621	95,881	92,327	68,592
	Purchases during the period	621,759	428,893	1,733,485	1,103,283
	Closing balance	(114,056)	(104,452)	(114,056)	(104,452)
	Consumption during the period	638,324	420,322	1,711,756	1,067,423
	Direct expenses				
	Salaries, wages and benefits	420,099	318,695	1,195,989	817,312
	Heat, light and power	269,355	183,688	834,837	518,453
	Repair and maintenance	105,000	70,469	277,286	190,503
	Depreciation	196,375	210,053	596,065	633,232
	Amortization	12,516	7,288	30,770	21,865
	Guest supplies	60,328	59,058	187,994	140,505
	Linen, china and glassware	29,618	25,456	90,185	51,692
	Communication	1,883	1,842	6,429	4,899
	Laundry and dry cleaning	14,252	13,049	52,600	36,358
	Banquet and decoration	18,085	14,467	55,908	26,254
	Transportation	10,770	1,388	12,753	4,264
	Uniforms	3,201	3,378	10,778	10,017
	Music and entertainment	3,580	3,365	10,723	8,688
	Insurance	491	476	1,495	1,442
	Vehicle operating Expense	16,688	5,350	35,100	12,246
	Vehicle Rental and Registration Charges	34,531	2,173	45,394	5,639
	Others	34,533	36,837	106,386	210,703
		1,869,629	1,377,354	5,262,448	3,761,495
				Nine months period ended 31 March	
18	CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES			2022	2021
				[Rupees'000]	
	Profit / [loss] before tax			959,715	(330,568)
	Adjustments for:				
	Depreciation			723,115	765,435
	Amortization			35,036	24,294
	Loss/ [Gain] on disposal of property, plant and equipment			6,031	(53,720)
	Provision for staff retirement benefit - gratuity			110,610	69,643
	Provision for compensated leave absences			55,185	28,280
	Impairment/ [reversal] loss on trade debts			117,151	35,555
	Return on bank deposits / certificate of investments			(47,767)	(37,242)
	Finance cost			1,011,212	959,874
	Dividend income			(225)	-
	Unrealised Loss / [Gain] on remeasurement of investments to fair value			1,664	(1,612)
	Gain on disposal of held for sale asset			-	(1,136)
	Share of gain in equity accounted investment-net			(59,070)	(73,527)
	Impairment / [Reversal] on investment in associated company			67,213	(4,260)
				2,979,871	1,381,015
19	CASH AND CASH EQUIVALENTS				
	Cash and bank balances			658,123	541,919
	Short term borrowings			(2,146,020)	(2,518,580)
	Accrued profit on bank deposits			(1,268)	(845)
				(1,489,165)	(1,977,506)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

20 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:

	Nine months period ended 31 March	
	2022	2021
	[Rupees'000]	
Transactions with associated undertakings		
Sales	336	241
Services provided	39,085	15,269
Services availed	293,035	189,858
Purchases	59,952	75,807
Franchise fee - income	3,640	2,608
Franchise and management fee - expense	-	4,530
Dividend income	60,452	52,698
Advance against issuance of shares	12,183	-
Balances as at the period end:		
- Trade debts	19,283	* 15,397
- Trade Advances, deposits and prepayments	5,533	* 17,644
- Dividend receivable	60,452	-
- Advance against issuance of shares	40,686	* 28,503
Transactions with other related parties		
Sales	923	604
Services provided	144	417
Services availed	2,803	17,915
Purchases	-	4,223
Contribution to defined contribution plan - provident fund	39,130	31,803
Purchase of Fixed asset	-	35,803
Short term loan during the period	-	228,928
Balances as at the period end:		
- Trade debts	1,153	*627
- Advance for capital expenditure	626,820	* 626,820
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	317,336	111,942
Loan from key management personnel during the period	258,500	75,200
Refund of loan to key management personnel	7,622	211,000
Payable to key management personnel	42,810	* 63,910

* Represents balances as at 30 June 2021.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

21 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

21.1 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				
		Financial Assets		Financial Liabilities	Amount in Rs'000				
		Fair value through profit or loss	Amortized cost	Amortized cost	Total	Level 1	Level 2	Level 3	Total
31 March 2022									
Financial assets measured at fair value									
Shares of listed Companies	14	6,116	-	-	6,116	6,116	-	-	6,116
Long term deposits		54,441	-	-	54,441	-	-	54,441	54,441
Short term deposits		16,682	-	-	16,682	-	-	16,682	16,682
		77,239	-	-	77,239	6,116	-	71,123	77,239
Financial assets not measured at fair value									
Trade debts	21.2	-	1,207,421	-	1,207,421	-	-	-	-
Contract assets		-	85,966	-	85,966	-	-	-	-
Advance to employees		-	17,016	-	17,016	-	-	-	-
Other receivables		-	309,987	-	309,987	-	-	-	-
Short term investments	14	-	644,065	-	644,065	-	-	-	-
Accrued interest		-	8,985	-	8,985	-	-	-	-
Cash and bank balances		-	658,123	-	658,123	-	-	-	-
		-	2,931,563	-	2,931,563	-	-	-	-
Financial liabilities not measured at fair value									
Loans and borrowings	21.2	-	-	14,148,106	14,148,106	-	-	-	-
Other non-current liabilities	5	-	-	11,996	11,996	-	-	-	-
Short term borrowings	7	-	-	3,098,039	3,098,039	-	-	-	-
Lease liabilities	6	-	-	198,390	198,390	-	-	-	-
Trade and other payables	21.3	-	-	2,136,316	2,136,316	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	19,603,617	19,603,617	-	-	-	-
30 June 2021									
Financial assets measured at fair value									
Short term investments	14	7,781	-	-	7,781	7,781	-	-	7,781
Long term deposits		28,181	-	-	28,181	-	-	28,181	28,181
Short term deposits		16,282	-	-	16,282	-	-	16,282	16,282
		52,244	-	-	52,244	7,781	-	44,463	52,244
Financial assets not measured at fair value									
Trade debts	21.2	-	418,084	-	418,084	-	-	-	-
Contract assets		-	22,863	-	22,863	-	-	-	-
Advance to employees		-	12,983	-	12,983	-	-	-	-
Other receivables		-	66,771	-	66,771	-	-	-	-
Short term investments	14	-	643,622	-	643,622	-	-	-	-
Cash and bank balances		-	394,114	-	394,114	-	-	-	-
		-	1,558,437	-	1,558,437	-	-	-	-
Financial liabilities not measured at fair value									
Loans and borrowings	21.2	-	-	14,725,080	14,725,080	-	-	-	-
Other non-current liabilities	5	-	-	18,801	18,801	-	-	-	-
Short term borrowings	7	-	-	3,139,289	3,139,289	-	-	-	-
Lease liabilities	6	-	-	239,657	239,657	-	-	-	-
Trade and other payables	21.3	-	-	1,958,979	1,958,979	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	20,092,576	20,092,576	-	-	-	-

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

21.2 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.

21.3 It excludes, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.

22 ACQUISITION OF SUBSIDIARY

On 22 August 2021, the Group assumed management control of Foreepay (Private) Limited ["the subsidiary company"], pursuant to acquisition of 78.27% shares in Foreepay (Private) Limited.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	[Rupees '000]
Cash	99,950

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition;

	[Rupees '000]
Property and equipment	10,750
Intangible assets	310,719
Advance against investment	113,124
Deposits	18,145
Advances, prepayments and other receivables	5,050
Sales tax receivables	5,344
Advance tax	951
Cash and bank balances	1,321
Advance against issue of shares	[678,530]
Deferred liabilities	[24,602]
Trade and other payables	[100,202]
Short term borrowings	[4,089]
Total identifiable net assets acquired	[342,019]

Goodwill

Goodwill arising from the acquisition has been recognised as follows;

Consideration transferred	99,950
Fair value of identifiable net assets	[342,019]
Less: Net assets attributable to non controlling interest	[74,328]
Fair value of identifiable net assets	[267,691]
Goodwill	267,791

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Nine months period ended 31 March 2022

23 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation. Following reclassification have been made during the period:

Description of item	Reclassified from	Reclassified to	Amount [Rupees'000]
Franchise fee	Other Income	Franchise & management fee revenue	106,442

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 25 April, 2022.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer



Pearl-Continental Hotel, Lahore



PAKISTAN SERVICES LTD.

1st floor, NESPAK House, Sector G-5/2, Islamabad

Tel: +92-51-2272890-8, Fax: +92-51-2878636

OWNERS AND OPERATORS OF



Pearl-Continental

HOTELS & RESORTS

KARACHI • LAHORE • RAWALPINDI • PESHAWAR • BHURBAN
MUZAFFARABAD • MALAMJABBA • ATTABAD LAKE