Pearl-Continental
HOTELS & RESORTS

PSL
PAKISTAN SERVICES LTD.

2024

ANNUAL REPORT

PC LEGACY, SKARDU

LOBBY, RUMANZA BY PEARL-CONTINENTAL, MULTAN

PAKISTAN SERVICES LTD.

2024
ANNUAL REPORT

Pearl-Continental
HOTELS & RESORTS

CONTENTS

LOBBY, PC LEGACY, SKARDU

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 the 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, Malam Jabba and Multan, besides one franchised hotel located at Gwadar, comprising total inventory of 1,744 rooms.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman
Mr. Murtaza Hashwani	
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 EXECUTIVE OFFICER

Mr. Bastien Paul Emile Blanc

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.pchotels.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

CORPORATE OBJECTIVES

Code of Conduct

The smooth and successful flow of processes and operations can not be achieved without the active participation and concerned efforts of all the employees of the Company. Discipline and professional working environment largely depends on behavior and attitude of the employees. Hence the Company has established its own standards of:

- Confidentiality
- Attendance and punctuality
- Working relationships
- Discussion topics
- Behavior and Attitude-in-General

Core Values

Growth and development for all
Competence and contribution as the only basis for job security
Promotion from within
Learning environment and opportunities
Provision for world-class education and training
Aligning people with latest technological trends

Recognition and Reward

Achievement orientation
Appreciation
Setting ever-rising standards of performance
Performance-based evaluation
Incentives

Innovation

Listening and two-way interaction
Encouragement
Participation
Motivation
Initiative

Trust

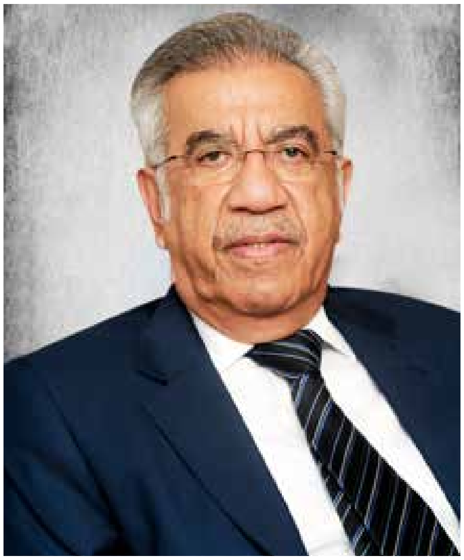
Cooperation
Integrity
Dignity
Respect
Candidness
Support
Teamwork
Sense of ownership
Empowerment

Strategic Objectives

Sustain potential market share through managed average daily rate
Ensure successful completion of all expansion projects
Seek improvement in employees' competencies and enhancing performance goals
Continue achieving sales growth to support long term plan
Reinforce all areas of security risks to Company's assets and guests

CARD ROOM, RUMANZA BY PEARL-CONTINENTAL, MULTAN

BOARD OF DIRECTORS

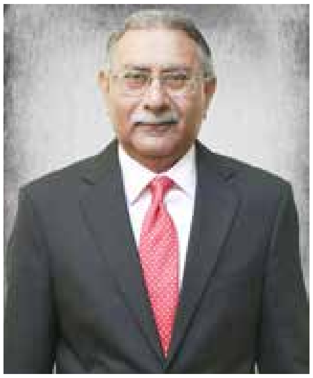

Mr. Sadruddin Hashwani


Mr. Murtaza Hashwani


Mr. M.A. Bawany

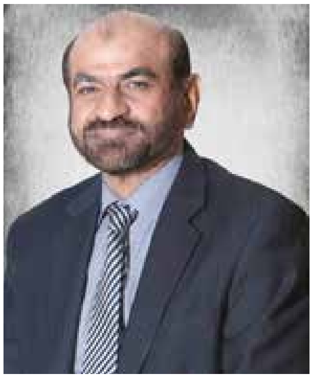

Mr. Shakir Abu Bakar

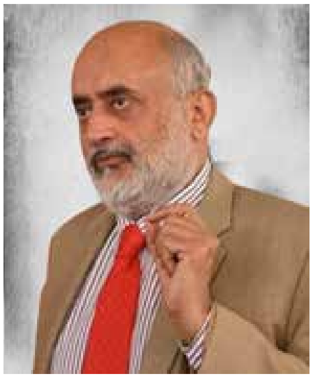

Syed Haseeb Amjad Gardezi


Mr. M. Ahmed Ghazali Marghoob


Ms. Ayesha Khan


Mr. Shahid Hussain


Mr. Rohail Ajmal


Mr. M. Saleem Ahmed Ranjha

STATUTORY OFFICERS

Mr. Bastien Paul Emile Blanc
Chief Executive Officer

Mr. Tahir Mahmood
Chief Financial Officer

Mr. Muhammad Amir
Company Secretary

Syed Nehal Ahmed Zaidi
Head of Internal Audit

NOTICE OF 65TH ANNUAL GENERAL MEETING

Notice is hereby given that the 65th Annual General Meeting of Pakistan Services Limited will be held on Monday, November 25, 2024, at 11:00 a.m. at Islamabad Marriott Hotel to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on October 27, 2023.
2. To receive, consider and adopt the Audited Financial Statements together with the Directors' and the Auditors' Reports thereon for the year ended June 30, 2024.
3. To appoint Auditors for the year 2024-25 and fix their remuneration.

SPECIAL BUSINESS:

4. To ratify and approve transactions conducted with Related Parties during the year ended June 30, 2024, by passing the following special resolution with or without modification:

   "RESOLVED THAT the transactions conducted with Related Parties as disclosed in the Note no. 43 of the unconsolidated financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."

5. To authorize the Board of Directors of the Company to approve transactions with Related Parties during the financial year ending June 30, 2025, by passing the following special resolution with or without modification:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2025, and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

6. To consider any other business with the permission of the Chair.

The Statement under Section 134(3) of the Companies Act, 2017 setting forth all material facts regarding special business given in Agenda items nos. 4 & 5 is annexed to the notice being sent to all the Shareholders.

Muhammad Amir
Company Secretary

Islamabad: October 29, 2024

Notes:

A. In accordance with Section 223 of the Companies Act, 2017 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Company has obtained shareholders' approval in the Annual General Meeting held on October 27, 2023, to circulate its Annual Audited Financial Statements to the shareholders through QR enabled code and weblink instead of transmitting the same through CD/DVD/USB. The Annual Report for the financial year ended on June 30, 2024, is available through QR enabled code and weblink as given hereunder:

Weblink	QR Code
https://psl.com.pk/financials.php	

Annual Audited Financial Statements shall also be circulated to the members through their emails as maintained with the Company. However, in case a member requires hard copy of the Annual Audited Financial Statements, the same can be obtained, free of cost, within one week of the request. In this regard, a Standard Request Form has been placed on website of the Company, i.e., www.psl.com.pk. The shareholders may send the Standard Request Form to the Company Secretary / Share Registrar who will supply hard copy of the Annual Audited Financial Statements.

Annual Report 2024 including Notice of AGM, and the Annual Audited Financial Statements, Reports has been placed on the website of the Company. www.psl.com.pk.

B. Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote instead of him/her except in case of a corporate entity which may appoint a proxy who may not be a member. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

C. The Share Transfer Books of the Company will remain closed from November 19, 2024 to November 25, 2024 (both days inclusive).

D. Shareholders are requested to notify the Company's Share Registrar, M/s. THK Associates (Private) Limited, Plot No. 32-C, Jami Commercial Street 2, DHA Phase VII, Karachi of any change in their address.

E. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 01 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

a. **For Attending the Meeting:**

i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. **For Appointing Proxies:**

i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

ii) The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with Proxy Form to the Company.

F. As per the provisions of Section-242 of the Companies Act, 2017 and directives of SECP vide Circular no. 18 dated August 01, 2017 cash dividends will only paid through electronic mode directly in the bank accounts of the shareholders, therefore Shareholders are requested to provide their bank account details (IBAN) to our share registrar (for physical shares) or to their respective participant / broker (for CDS shares) as the case may be. Form for updating of bank account details (Dividend Mandate Form) is attached with printed Annual Report and also placed on Company's website www.psl.com.pk

G. The Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or our Share Registrar i.e. M/s. THK Associates (Private) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

H. Members holding in aggregate 10% or more shareholding residing at a geographical location other than Islamabad, may participate in the meeting through video conference by submitting their application to the Company Secretary at least seven days prior to the date of the meeting. The Company will arrange video conference facility in the requested city subject to the availability of such facility in that city. The Company will intimate members regarding the venue of the video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.

I. As per Section-72 of the Companies Act, 2017, all listed companies are required to replace its physical shares with book-entry form within four years from the promulgation of the Companies Act, 2017. Further SECP vide its letter No. CSD/ED/Misc/2016-639-640, dated March 26, 2021 had advised to comply with Section 72 of the Act and encourage shareholders to convert their physical shares into book-entry form. Accordingly, all shareholders of the Company having physical shares are requested to convert their shares into book-entry form at the earliest. The shareholders may contact the Company or Share Registrar, M/s. THK Associates (Private) Limited for the conversion of physical shares into book-entry form.

J. The members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 amended through Notification S.R.O. 905 (I)/2023 dated July 07, 2023, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Pakistan Services Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Monday, November 25, 2024, at 11:00 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting:

(1) Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business within due course.

(2) The facility for e-voting shall remain open for not less than three days and shall close at 17:00 hours (Pakistan Standard Time) on the date preceding the date of the poll.

(3) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

(4) Members shall cast vote online during the time specified in sub-regulation (1), provided that once the vote on a resolution is casted by a member, he/she shall not be allowed to change it subsequently.

(5) The e-voting service provider shall be required to keep the result of e-voting confidential and provide access to the chairman of the general meeting in which poll was demanded to unblock result of e-voting on the day of poll.

Procedure for Voting through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of valid Computerized National Identity Card (CNIC) or passport for foreign member and Board Resolution /Power of Attorney for body corporate, Corporation and Federal Government, should reach the Chairman of the meeting through post on the Company's registered address at PSL, 1st Floor, NESPAK House, G-5/2, Islamabad (Attention of the Company Secretary) or email at muhammadamir@hashoogroup.com on or before, November 23, 2024 during working hours. The signature on the ballot paper shall match with the signature on CNIC / record of the Company. A postal ballot received after this time / date shall not be considered for voting.

For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website i.e. www.psl.com.pk

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

Agenda Item no. 04: Ratification and approval of the related party transactions carried out during the year ended June 30, 2024

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to Clause-15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year some of the Company's Directors were interested in some transactions due to their common directorships in the Group Companies. Therefore, these transactions are being placed before the AGM for the formal approval / ratification by the shareholders. All transactions with related parties to be ratified have been disclosed in note-43 to the unconsolidated financial statements for the year ended June 30, 2024. The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee, which is chaired by an independent Director of the Company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of Directors for approval. Transactions entered into with the related parties include, but are not limited to, services provided, dividends received, investments made, advances paid (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

The nature of relationship with these related parties has also been indicated in the note-43 to the unconsolidated financial statements for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Agenda Item no. 05: Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2025

The Company shall be conducting transactions with its related parties during the year ending June 30, 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The few Directors are interested in some transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending June 30, 2025, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

PAKISTAN SERVICES LTD.

Ballot Paper for voting through Post for the Special Businesses

Ballot paper for voting through post for the Special Business at the 65th Annual General Meeting of Pakistan Services Limited to be held on Monday, November 25, 2024, at 11:00 AM (PST) at Islamabad Marriott Hotel.

Contact details of the Chairman where duly filled in Ballot Paper to be sent:
Business Address: Pakistan Services Limited, 1st Floor, NESPAK House, Sector G-5/2, Islamabad
Phone No: +92-51-2272890-8 Fax No. +92-51-2878636.
Email address: muhammadamir@hashoogroup.com (Website: www.psl.com.pk)

Name of shareholder/joint shareholder(s):	
Registered Address:	
Number of Shares held	
Folio /CDC Participant/Investor ID with Sub-Account No.	
CNIC/NICOP/Passport No. (Valid copy to be enclosed)	
Additional Information and enclosures (In case of representative of body corporates and corporations.)	
Name of Authorized Signatory:	
CNIC/NICOP/Passport No. (Valid copy to be enclosed)	
Certified True Copy of Board Resolution/Copy of the Power of Attorney, attested by the Oath Commissioner	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolution(s)	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Agenda Item 4 – To ratify and approve transactions conducted with Related Parties during the year ended June 30, 2024, by passing the following special resolution with or without modification: **"RESOLVED THAT** the transactions conducted with Related Parties as disclosed in the Note no. 43 of the unconsolidated financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed.			

Sr. No.	Nature and Description of resolution(s)	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
2	Agenda Item 5 – To authorize the Board of Directors of the Company to approve transactions with Related Parties during the financial year ending June 30, 2025, by passing the following special resolution with or without modification: **"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2025, and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."			

____

Signatures of Shareholder(s)/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place:___________________

Date:___________________

Notes:

1. Duly filled postal ballot should be sent to Chairman of the meeting through post at 1st Floor, NESPAK House, Sector G-5/2, Islamabad (Attention to Company Secretary) or email at muhammadamir@hashoogroup.com
2. Valid Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the Ballot Paper.
3. Ballot paper should reach the Chairman within business hours by or before November 23, 2024. Any postal Ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC or Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138/139 of the Act. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at www.psl.com.pk. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.
8. This Ballot Paper has been prepared in accordance with the requirements of Regulation 8 (Annexure-I) of the Companies (Postal Ballot) Regulations, 2018 as amended through SRO 905(I)/2023, dated July 07, 2023, issued by SECP.

CHAIRMAN'S REVIEW

Dear Members

I am honored to present to you the 65th annual report of Pakistan Services Limited, containing the unconsolidated and consolidated audited financial statements for the year ended June 30, 2024 alongside the auditor's report.

GLOBAL ECONOMIC OVERVIEW

The global economy in FY 2023-24 has faced continued uncertainty. Persistent inflation, rising interest rates, and supply chain disruptions have all been shaped by ongoing geopolitical tensions. The prolonged Russia-Ukraine conflict continues to create uncertainty, affecting global energy markets and driving up food prices, leaving nations worldwide grappling with the consequences. With central banks tightening their monetary policies, the global economic growth forecast by the World Bank has been revised downward to 2.4%, highlighting the fragile state of recovery.

Despite this volatility, sectors like hospitality have shown resilience, with a shift in consumer behavior that has benefited domestic tourism in various markets, including Pakistan. While global conditions remain difficult, they also present new opportunities for businesses to adapt and evolve.

PAKISTAN'S ECONOMIC OUTLOOK

Pakistan's economic situation in 2023-24 has been deeply challenging. With inflation skyrocketing above 30% and the Pakistani Rupee devaluing significantly, falling by 35% during the year. Pakistan's macroeconomic indicators have been strained. The government's continued engagement with the IMF has provided a necessary lifeline but has also led to tough structural reforms and stringent monetary measures.

However, there is hope on the horizon. The government has laid out plans to stabilize the economy, targeting modest GDP growth of around 2.5-3% for FY 2024-25, supported by ongoing reforms, declining inflationary pressures, and potential fiscal improvements. Yet, challenges remain, as the nation navigates high debt, low foreign reserves, and the pressures of economic recovery.

While the broader economy faces hurdles, the hospitality sector in Pakistan has shown resilience and remains one of the few industries where opportunities abound. The depreciation of the rupee has made international travel prohibitively expensive for many, driving demand for domestic tourism.

Despite the rising costs of doing business, we remain committed to expanding in the sector. The hospitality industry, even in challenging times, holds promise as local and international tourists seek out unique experiences. We anticipate growth as Pakistan's tourism potential is further realized, supported by improving infrastructure and a growing middle class.

COMPANY PERFORMANCE HIGHLIGHTS

In the face of macroeconomic challenges, the Company achieved an operating profit of Rs. 2,487 million in FY 2023-24, against Rs. 1,781 million recorded in the previous year. The profit before tax is Rs. 569 million as compared to profit of Rs. 68 million last year.

The company met its commitment to lenders by paying Rs. 5.6 billion against the deferment approved by the bankers in June 2023 for payments due for March 2023 and June 2023 along with amount becoming due in September 2023 till December 31, 2023. The payment was made out of sale proceeds of properties along with own sources. The company also paid the amount due on account of principal and markup for March 2024 quarter pertaining to borrowings under bi-lateral arrangement and requested Sukuk Agent to use the Rs. 628 million placed with them to settle sukuk investors for the due amount of Rs. 624 million for March 2024 quarter, the request was not approved and the amount was reported as overdue on part of the company.

The company has taken up this matter with banks and Sukuk Investors besides the fact, that the company also requested its lenders prior to reporting of overdue amount, after payment of committed amount, in March-April 2024 to consider restructuring of the existing outstanding principal with extension in tenor.

Recently, the Company has appointed M/s Bridge Factor as its financial advisor to advise, negotiate and finalize the restructuring with lenders on behalf of the Company and the same is expected to be concluded by end of next quarter.

Management acknowledges that the manner and timing of all the assumptions and projected results envisaged in management's assessment and cash flow projections are always subject to unforeseen variability, and these may differ due to events and conditions outside the control of management, hence inherently achievement of projected results are subject to an uncertainty which hovers on the manner and methodology being followed toward achieving those results, which may be material and that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

PERFORMANCE OF ROOMS DEPARTMENT

Revenue from our rooms segment increased to Rs. 7,420 million, up from Rs. 6,358 million last year, reflecting significant increase of Rs. 1,062 million.

PERFORMANCE OF FOOD & BEVERAGE DEPARTMENT

Revenue for our Food & Beverage division reported to Rs. 9,306 million, an increase of Rs.1,060 million from the previous year.

PERFORMANCE OF OTHER RELATED SERVICES/LICENSE FEE/TRAVEL & TOUR DIVISION

Revenue from other services, including license fees and our Travel & Tour division, was steady at Rs. 1,209 million, marginally improving from Rs. 95 million last year.

INTERNAL CONTROL SYSTEMS

Effective internal control systems are crucial for achieving business objectives, ensuring compliance with laws, and maintaining operational efficiency. Our company has implemented robust internal control procedures designed to safeguard assets, ensure accuracy in financial reporting, and promote adherence to management policies.

These internal controls are in place to prevent errors, fraud, and omissions while maintaining the integrity of business operations. They help safeguard company assets, verify the reliability of accounting data, enhance operational efficiency, and ensure compliance with established managerial guidelines. The management recognizes the importance of these controls and has set up comprehensive systems to mitigate risks associated with various objectives.

Our control measures ensure employees consistently provide accurate information in a timely manner, supporting sound decision-making. Regular internal audits are conducted to assess the effectiveness of the controls, enabling us to identify and address any deficiencies proactively.

CORPORATE SOCIAL RESPONSIBILITY & CORPORATE PHILANTHROPY

The company demonstrates its commitment to sustainability in Pakistan through meaningful contributions to education, healthcare, vocational training, and skill development. By investing in these areas, we strive to foster shared economic and social value, especially by empowering underprivileged communities and integrating them into the mainstream economy. Additionally, our hands-on training programs are designed to develop skilled manpower for the hospitality industry, ensuring that our efforts not only support immediate needs but also build capacity for long-term growth and development.

ENERGY CONSERVATION

We are dedicated to minimizing energy waste across the organization through implementation of green technologies, reducing overall waste, and enhancing recycling practices. As part of these efforts, we have installed solar energy systems at selected hotel properties, and technical evaluations are currently underway for implementing similar systems at our remaining locations. This initiative reflects our ongoing commitment to environmental sustainability and energy efficiency.

ENVIRONMENT PROTECTION MEASURES

The Company recognizes its responsibility to protect the environment and actively provides regular training to employees on water conservation and energy efficiency. As part of our commitment to sustainability, we proudly participate in the Earth Hour movement organized by WWF, demonstrating our dedication to nature and the planet. This initiative underscores our ongoing efforts to raise awareness and contribute to environmental preservation through collective action.

CUSTOMER SATISFACTION

Customer satisfaction remains a key driver of long-term relationships and continues to play a significant role in our business success. While the pandemic situation has largely subsided, we remain committed to maintaining high standards of hygiene and safety across all our operations. This includes regular sanitization of key areas such as entry points, elevators, corridors, rooms, and seating areas, ensuring a clean and welcoming environment for our guests.

Additionally, the Company has engaged an international firm to track guest feedback and suggestions, allowing us to continually refine our services and improve the overall customer experience based on real-time insights.

EMPLOYMENT OF SPECIAL NEEDS

The Company maintains an open-door policy for the recruitment of individuals with special needs. It actively continues to provide employment opportunities to a number of individuals across various business locations.

OCCUPATIONAL SAFETY AND HEALTH

The Company has consistently prioritized the health and safety of its valued clients, guests, employees, and the general public. Even in the post-pandemic environment, we continue to maintain high standards of hygiene and precautionary measures. Our staff regularly undergo training to stay updated on best practices for sanitation and guest interactions. The Company has also implemented stringent hygiene protocols across all service areas, including kitchens, crockery, utensils, and equipment. Additionally, safety kits are made available to guests upon check-in, reinforcing our commitment to a "Safety First" approach.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Company has clearly outlined its Code of Ethics and Business Practices, ensuring that all employees are fully acquainted with the standards expected of them. Regular assessments are conducted to verify compliance with these guidelines, and any deviations are addressed promptly and rigorously.

CONTRIBUTION TO GOVERNMENT EXCHEQUER

During the year under review, the Company contributed a total of Rs. 6,033 million to the Provincial and Federal governments, compared to Rs.4,844 million in the previous year. These contributions were made in the form of customs duties, general sales tax, income tax, and other levies.

CONSOLIDATED FINANCIAL STATEMENTS

The company's consolidated revenue increased slightly from Rs. 13,583 million in the previous year to Rs. 16,630 million in the current reporting year. The company incurred a consolidated profit of Rs. 394 million before taxes, compared to a loss of Rs. 1,267 million in the prior year.

M/s Pearl Tours and Travels (Private) Limited, a wholly owned subsidiary, reported revenue of Rs.384 million in the current year, up from Rs. 313 million in the previous year. The company primarily provides rent-a-car and package tour services.

The wholly owned subsidiaries M/s City Properties (Private) Limited and M/s Elite Properties Private Limited engaged in real estate business are yet to start their commercial operations whereas M/s Pearl Continental Hotels (Private) Limited remained non-operational throughout the year 2023-24.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank all of our employees, shareholders, stakeholders, government authorities, bankers, and customers for their dedication, support, and understanding. Your combined efforts have been essential to the company's continued growth and success, despite the challenges we have faced. We are grateful for your contributions and wish for a peaceful and prosperous Pakistan.

Ameen!

For and on behalf of the Board of Directors.

SADRUDDIN HASHWANI

Chairman

29 October, 2024

RUMANZA BY PEARL-CONTINENTAL

World-Class Golfing, Gold-Star Hospitality Rumanza by Pearl-Continental Redefines Luxury

Multan, a historic city famed for its shrines, bazaars, and blue pottery, also boasts another distinction as the host of Rumanza, Pakistan's largest and only 18-hole, 72-par golf course. Designed by the renowned Sir Nick Faldo, this signature course is situated in the heart of DHA Multan. In collaboration with Pearl-Continental Hotels & Resorts, this golf course has been transformed into a 5-star golf resort, offering a premium gaming facility for golfers with exceptional hospitality services and amenities for recreation and relaxation under one roof.

Rumanza by Pearl-Continental welcomes guests with luxurious accommodations overlooking majestic, lush green gardens—perfect for unwinding after a day on the greens. Guests can choose from 42 elegant rooms, each providing unmatched comfort and style. The resort also prides itself on its culinary offerings, with esteemed dining outlets such as the Spike Bar and Marco Polo restaurants serving a wide array of continental and traditional cuisines to satisfy diverse palates.

Guests seeking relaxation can indulge in a dip in the beautifully designed swimming pools or refresh their mind, body, and soul. The ultimate experience in exploration, relaxation, and recreation awaits valued guests visiting Rumanza by Pearl-Continental. Sauna and steam facilities are also available. Additionally, the resort boasts a sophisticated cigar lounge, where guests can enjoy a selection of premium cigars and beverages in opulent settings.

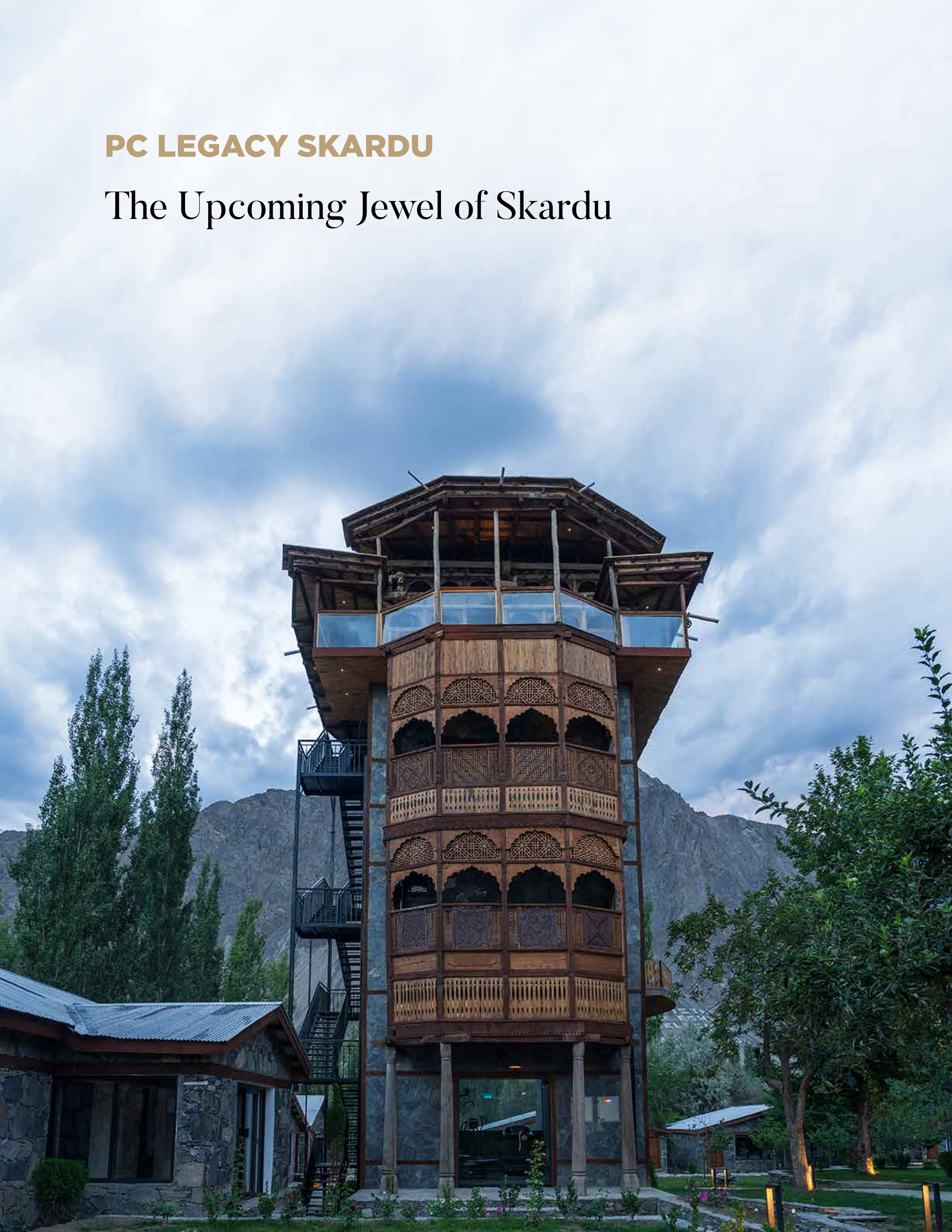
Rumanza is the perfect backdrop for extravagant weddings, formal corporate conferences, and memorable celebrations. Its state-of-the-art Crystal Hall and Foyer Hall, with sleek, contemporary interiors and modern amenities, set the stage for any spectacular event. The resort's dedicated team is on hand to help guests craft and execute their events with precision and flair, ensuring every detail is managed to perfection.

Conveniently located close to central Multan, the resort is also an ideal gateway for exploring the historical city. Guests can enjoy day trips to experience the vibrant sights and sounds of Multan, where centuries-old traditions blend seamlessly with modern-day charm.

Discover the pinnacle of hospitality at Rumanza by Pearl-Continental, Pakistan's premier golf resort. Book your stay or event today and experience luxury, leisure, and a legendary golf course all in one place!

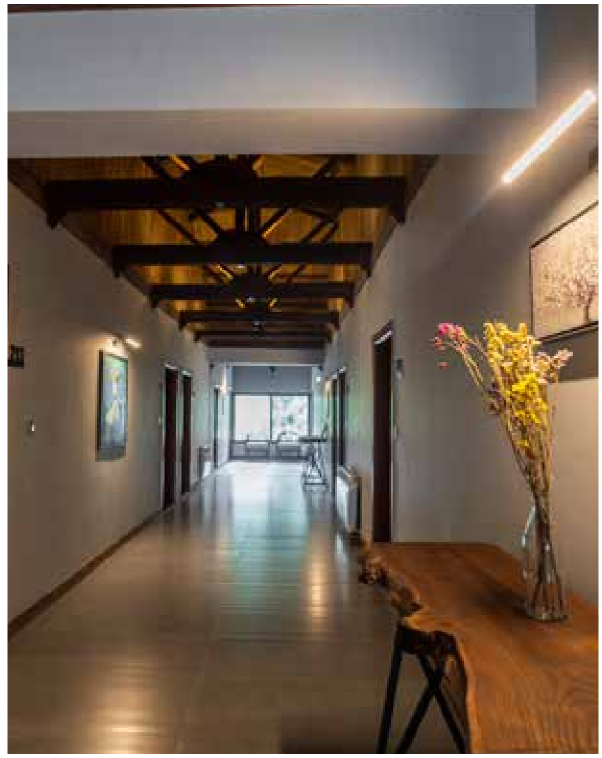
PC LEGACY SKARDU

The Upcoming Jewel of Skardu



Hashoo Group, Pakistan's leading hospitality conglomerate, proudly introduces its latest venture in the stunning Skardu Valley. Known for its exceptional service and luxurious accommodations nationwide, Hashoo Group continues to uphold its reputation with this newest addition to its 4-star PC Legacy portfolio.

Situated against the beautiful backdrop of Skardu's majestic mountains, crystal-clear lakes, and vibrant cultural heritage, PC Legacy Skardu is set to be more than just a hotel. It will be a gateway to the wonders of northern Pakistan, catering to both adventure-seekers and those looking for a peaceful retreat.



The hotel's prime location, just a few minutes from the Skardu airport, offers easy access to some of the region's most iconic landmarks, such as the serene Shangrila Lake, the historic Skardu Fort, and the awe-inspiring K2 base camp. Whether you are here to explore or unwind, PC Legacy Skardu will provide an unforgettable experience for all with various elegant rooms and comfortable chalets along with a state-of-the-art fitness facility for guests. The rooms blend traditional charm with modern luxury, complemented by panoramic views of the valley.

Fine dining at the hotel will showcase both local and international cuisine, with a focus on fresh, locally sourced ingredients. PC Legacy Skardu will serve as a prime destination for events, offering exceptional facilities to host weddings, corporate functions, and private gatherings. With expert event planning services, every occasion at PC Legacy Skardu will be more memorable than ever.

Additionally, the new hotel is also poised to have a positive influence on the local economy by creating jobs and promoting sustainable tourism in the region. With Hashoo Group's longstanding legacy of gold-star services in hospitality at the forefront, PC Legacy Skardu will be the ultimate adventure, exploration, banquet and dining destination in the North – opening soon!

DIRECTORS' REPORT

Dear Members

The Board of Directors ("the Board") of Pakistan Services Limited ("the Company") is pleased to present the 65th Annual Report with the audited unconsolidated financial statements of the Company for the year ended 30 June 2024 along with the Auditors' Report thereon.

Summary of unconsolidated financial performance of the Company is as follows:

	(Rupees, 000)
Operating profit	2,487,169
Un-realized gain on re-measurement of investments	274,786
Finance income	271,147
Finance Cost	(2,463,829)
Profit before taxation	569,273
Taxation including minimum and final tax	(143,809)
Profit for the year	425,464
Other Comprehensive Income for the year	530,354
Un-appropriated profit brought forward	6,246,376
Un-appropriated profit at end of the year	8,963,097

Earnings per share for the year 2023-24 arrived at Rs.13.08.

The Directors fully endorse the contents of the Chairman's Review included in the Annual Report which deals inter alia with the financial and operating results and significant deviations from the last year, major future plans, risk and uncertainties and other related matters of the Company.

At present, the Board of directors comprise of ten members including one female member and nine male members.

Following are the names of persons who, at any time during the financial year were directors of the Company:

1. Mr. Sadruddin Hashwani
2. Mr. Murtaza Hashwani
3. Mr. M. A. Bawany
4. Mr. Shakir Abu Bakar
5. Syed Haseeb Amjad Gardezi
6. Mr. M. Ahmed Ghazali Marghoob
7. Ms. Ayesha Khan
8. Mr. Rohail Ajmal
9. Mr. Shahid Hussain
10. Mr. Saleem Ahmed Ranjha

The remuneration to non-executive directors has been duly approved by the Board. The remuneration is to be based on market competitive compensation for the services being rendered by the non-executive director as approved by the board.

The Composition of the Board is as follows:

Category	Names
Independent Directors	1) Mr. Rohail Ajmal 2) Mr. Shahid Hussain 3) Mr. Saleem Ahmed Ranjha
Executive Directors	4) Mr. Murtaza Hashwani 5) Mr. Shakir Abu Bakar 6) Syed Haseeb Amjad Gardezi
Non-Executive Directors	7) Mr. Sadruddin Hashwani 8) Mr. M. A. Bawany 9) Mr. M. Ahmed Ghazali Marghoob
Female Director- Non Executive	10) Ms. Ayesha Khan

The board constituted following committees comprising of members given below:

Audit Committee	**HR and Remuneration Committee**
Mr. Shahid Hussain (Chairman)	Mr. Rohail Ajmal (Chairman)
Mr. M. A. Bawany	Mr. Murtaza Hashwani
Mr. M. Ahmed Ghazali Marghoob	Mr. M. A. Bawany
Mr. Rohail Ajmal	Syed Haseeb Amjad Gardezi
	Mr. M. Ahmed Ghazali Marghoob

Nomination Committee	**Risk Management Committee**
Mr. Murtaza Hashwani (Chairman)	Mr. Murtaza Hashwani (Chairman)
Mr. M. A. Bawany	Mr. M. A. Bawany
Mr. Shakir Abu Bakar	Mr. Shakir Abu Bakar
Syed Haseeb Amjad Gardezi	Syed Haseeb Amjad Gardezi
	Ms. Ayesha Khan
	Mr. Rohail Ajmal

The Board, during the year appointed Mr. Bastien Blanc as Chief Executive Officer (CEO) of the Company. The Board extends a warm welcome to Mr. Bastien and anticipates his significant contributions to the company's future success.

The Company has incurred amount of Rs. 531.285 million in aggregate on account of Salary/Fee, perquisites, benefits, and performance-linked incentives etc. to its directors and Chief Executive.

Kindly refer Note No. 42 of the Unconsolidated Financial Statements for detail of remuneration of Directors and Chief Executive.

The remuneration package of Directors on account of Salary, perquisites, benefits, and fee are:

Chief executive officer	Rs. 177.41 million
Executive Director	Rs. 40.67 million
Executive Director	Rs. 242.39 million
Executive Director	Rs.47.85 million
Non- Executive Director	Rs. 21.47 million

Nature of business throughout the year remains the same including business nature of subsidiaries.

The pattern of shareholding is annexed to this report.

The company met its commitment to lenders by paying Rs. 5.6 billion against the deferment approved by the lenders in June 2023 for payments due for March 2023 and June 2023 along with amount becoming due in September 2023 till December 31, 2023. The payment was made out of sale proceeds of properties and partly with own cash generation. The company also paid the amount due on account of principal and markup for March 2024 quarter pertaining to borrowings under bi-lateral arrangement and requested Sukuk Issue Agent to use the Rs. 628 million placed with them to settle sukuk investors for the due amount of Rs. 624 million for March 2024 quarter, the request was not approved, and the amount was reported as overdue on part of the company.

The company has taken up this matter with lenders and Sukuk Investors besides, the Company has appointed M/s Bridge Factor recently as its financial advisor to advise, negotiate and finalize the restructuring with lenders including Sukuk on behalf of the Company and the same is expected to be concluded by end of next quarter.

The system of internal financial control is sound in design and has been effectively implemented and monitored.

The directors of the company have formulated and implemented adequate internal financial controls.

The company will declare dividend once its financial liabilities toward financial institutions and Sukuk holders stands paid per agreed restructuring terms.

The Company is committed to identifying, assessing, and managing sustainability-related risks, including environmental, social, and governance (ESG) factors, which could affect its long-term success. Key sustainability risks, such as climate change, resource scarcity, regulatory changes, and reputational risks, are regularly reviewed. To mitigate these risks, the Company has implemented various measures, including energy efficiency initiatives, responsible sourcing practices, and compliance with environmental regulations. In addition, the Company is dedicated to promoting diversity, equity, and inclusion (DE&I) within the organization. We have established comprehensive policies to ensure equal opportunities in recruitment, career development, and promotions, with a focus on creating an inclusive work environment. Regular DE&I training, employee resource groups, and leadership diversity programs are in place to foster a workplace that values different perspectives and backgrounds. Progress is monitored through established metrics to ensure that DE&I remains a core part of the Company's values and operations.

The Company is committed to fostering an inclusive and equitable work environment in which all employees are treated with dignity, respect, and fairness. Compensation is based solely on objective criteria, including seniority, experience, roles, responsibilities, and performance, without any bias related to gender.

The retiring auditors, M/s. KPMG Taseer Hadi & Co, Chartered Accountants being eligible, offer themselves for re-appointment as the Company's auditors. The Board, on the recommendation of the Audit Committee, has proposed appointment of M/s KPMG Taseer Hadi & Co, Chartered Accountants as auditors of the Company for the year ending 30 June 2025.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Islamabad: October 29, 2024

ڈائریکٹرز کے معاوضہ جات کی تفصیل درج ذیل ہے:

چیف ایگزیکٹو آفیسر	177.41	ملین روپے
ایگزیکٹو ڈائریکٹر	40.67	ملین روپے
ایگزیکٹو ڈائریکٹر	242.39	ملین روپے
ایگزیکٹو ڈائریکٹر	47.85	ملین روپے
نان ایگزیکٹو ڈائریکٹر	21.47	ملین روپے

کمپنی نے مالیاتی اداروں کو جون 2023 میں منظور شدہ مؤخر ادائیگی کے تحت مارچ 2023 اور جون 2023 کے واجب الادا ادائیگیوں کے ساتھ ساتھ ستمبر 2023 سے 31 دسمبر 2023 تک واجب الادا رقم کی مد میں Rs.5.6 ارب روپے کی ادائیگی کی۔ یہ ادائیگی جائیدادوں کی فروخت سے حاصل ہونے والی رقم اور جزوی طور پر اپنے ریسورس کے ذریعے کی گئی۔ کمپنی نے مارچ 2024 کی سہ ماہی کے دوران باہمی معاہدے کے تحت قرض کی اصل رقم اور مارک اپ کی واجب الادا رقم بھی ادا کی اور سکوک اجرا ایجنٹ سے درخواست کی کہ وہ Rs. 628 ملین کے انویسٹمنٹ سرٹیفکیٹ کو استعمال کر کے سکوک سرمایہ کاروں کے لیے مارچ 2024 کی واجب الادا رقم Rs. 624 ملین کو ادا کریں، تاہم یہ درخواست منظور نہیں کی گئی، اس رقم کو کمپنی کی طرف سے واجب الادا قرار دیا گیا۔

کمپنی نے اس معاملے کو قرض دہندگان اور سکوک سرمایہ کاروں کے ساتھ اٹھایا ہے، علاوہ ازیں کمپنی نے حال ہی میں M/s Bridge Factor کو اپنا مالیاتی مشیر مقرر کیا ہے تاکہ وہ کمپنی کی جانب سے قرض دہندگان بشمول سکوک کے ساتھ مذاکرات، مشاورت اور تنظیم نو کو حتمی شکل دیں۔ توقع ہے کہ یہ عمل اگلی سہ ماہی کے آخر تک مکمل ہو جائے گا۔

کمپنی پائیداری سے متعلق خطرات کی شناخت، تجزیہ اور ان کا مؤثر انداز میں انتظام کرنے کے عزم پر کاربند ہے، جن میں ماحولیاتی، سماجی اور حکمرانی کے عوامل شامل ہیں جو اس کی طویل مدتی کامیابی کو متاثر کر سکتے ہیں۔ کلیدی پائیداری کے خطرات، جیسے موسمیاتی تبدیلی، وسائل کی کمیابی، قواعد و ضوابط میں تبدیلیاں، اور ساکھ کے خطرات، کا باقاعدگی سے جائزہ لیا جاتا ہے۔ ان خطرات کو کم کرنے کے لیے، کمپنی نے مختلف اقدامات کیے ہیں، جن میں توانائی کی مؤثر استعمال کی حکمت عملیاں، ذمہ دارانہ سپلائی چین کے اصول، اور ماحولیاتی قوانین کی پاسداری شامل ہیں۔ اس کے علاوہ، کمپنی تنظیم میں تنوع، برابری، اور شمولیت کو فروغ دینے کے لیے پرعزم ہے۔ کمپنی نے ملازمت، کیریئر کی ترقی، اور ترقیوں میں مساوی مواقع کو یقینی بنانے کے لیے جامع پالیسیاں قائم کی ہیں، تاکہ ایک جامع ماحول کی تشکیل پر توجہ مرکوز رکھی جا سکے۔ تربیت، ملازم وسائل گروپس، اور قیادت کے تنوع کے پروگرام موجود ہیں تاکہ ایک ایسا کام کا ماحول پیدا کیا جا سکے جو مختلف نقطہ نظر اور پس منظر کی قدر کرتا ہے۔ کمپنی کے بنیادی اقدار اور آپریشنز کا حصہ بنانے کے لیے پیش رفت کو باقاعدہ مانیٹر کیا جاتا ہے۔

کمپنی اس بات پر کاربند ہے کہ ایک ایسا منصفانہ کام کا ماحول فراہم کیا جائے جس میں تمام ملازمین کو عزت، احترام اور انصاف کے ساتھ برتاؤ کیا جائے۔ معاوضہ صرف معروضی معیار پر مبنی ہوتا ہے، جس میں سینیارٹی، تجربہ، عہدہ، ذمہ داریاں اور کارکردگی شامل ہیں، اور اس میں جنس سے متعلق کسی بھی قسم کا امتیاز شامل نہیں ہوتا۔

ریٹائرڈ ہونے والے آڈیٹرز، کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے اہل ہونے کے ناطے اپنے آپ کو کمپنی کے آڈیٹرز کی صورت میں دوبارہ تقرری کے لیے پیش کیا۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کو جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز مقرر کرنے کی تجویز دی ہے۔

ڈائریکٹر
مرتضیٰ ہاشوانی

ڈائریکٹر
شاکر ابوبکر

اسلام آباد: 29 اکتوبر 2024

بورڈ کی ترکیب درج ذیل ہے:

عہدہ	نام
انڈیپینڈنٹ ڈائریکٹر	1) جناب روحیل اجمل 2) جناب شاہد حسین 3) جناب سلیم احمد رانجھا
ایگزیکیٹیو ڈائریکٹرز	4) جناب مرتضٰی ہاشوانی 5) جناب شاکر ابوبکر 6) سید حسیب امجد گردیزی
نان ایگزیکیٹیو ڈائریکٹرز	7) جناب صدرالدین ہاشوانی 8) جناب محمد اختر باوانی 9) جناب ایم احمد غزالی مرغوب
خاتون ڈائریکٹر- نان ایگزیکیٹیو	10) محترمہ عائشہ خان

بورڈ نے درج ذیل کمیٹیاں تشکیل دیں:

آڈٹ کمیٹی	ایچ آر اور ریمیونریشن کمیٹی
جناب شاہد حسین (چیئر مین)	جناب روحیل اجمل (چیئر مین)
جناب محمد اختر باوانی	جناب مرتضٰی ہاشوانی
جناب ایم احمد غزالی مرغوب	جناب محمد اختر باوانی
جناب روحیل اجمل	سید حسیب امجد گردیزی
	جناب ایم احمد غزالی مرغوب

نومینیشن کمیٹی	رسک مینجمنٹ کمیٹی
جناب مرتضٰی ہاشوانی (چیئر مین)	جناب مرتضٰی ہاشوانی (چیئر مین)
جناب محمد اختر باوانی	جناب محمد اختر باوانی
جناب شاکر ابوبکر	جناب شاکر ابوبکر
سید حسیب امجد گردیزی	سید حسیب امجد گردیزی
	محترمہ عائشہ خان
	جناب روحیل اجمل

بورڈ نے اس سال کے دوران Mr. Bastien Paul Emile Blanc کو کمپنی کا چیف ایگزیکٹو آفیسر (سی ای او) مقرر کیا۔ بورڈ Mr. Bastien کو خوش آمدید کہتا ہے اور توقع رکھتا ہے کہ وہ کمپنی کی مستقبل کی کامیابی میں نمایاں کردار ادا کریں گے۔

کمپنی نے چیف ایگزیکیٹیو اور ڈائرکٹرز کو 531.285 ملین روپے کی رقوم تنخواہوں/فیس، اضافی مراعات، فوائد، اور کارکردگی سے منسلکہ مراعات وغیرہ کی مد میں ادا کیے۔

ڈائرکٹرز کے معاوضہ جات کی تفصیل جاننے کے لیے براہِ کرم نوٹ نمبر 42 کا مطالعہ کریں۔

ڈائریکٹرز رپورٹ

محترم حصص داران:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز کمپنی کی 65ویں سالانہ رپورٹ بمعہ کمپنی کی محاسبہ شدہ مالی گوشورے برائے سال جو کہ مورخہ 30 جون 2024 کو اختتام پذیر ہوا بمعہ محاسب رپورٹ پیش کرتی ہے۔

کمپنی کی محاسبہ شدہ مالیاتی کارکردگی درج ذیل ہے:

(000، روپے)

کاروباری آپریشنز سے ہونے والا منافع	2,487,169
سرمایہ کاری کے دوبارہ تعینِ مقدار پر غیر حاصل شدہ منافع	274,786
مالیاتی آمدن	271,147
مالیاتی لاگت	(2,463,829)
منافع قابل از ٹیکس	569,273
ٹیکس	(143,809)
دوران سال منافع	425,464
دوران سال کی دیگر جامع آمدن	530,354
ابتدائی غیر مختص منافع	6,246,376
غیر مختص منافع بیلنس	8,963,097

سال 24-2023 کے لیے فی حصص منافع 13.08 روپے کا ہے۔

تمام ڈائریکٹرز سالانہ رپورٹ میں شامل چیئرمین کے جائزے کے اندراجات کی مکمل تائید کرتے ہیں جو علاوہ دیگر باتوں کے، مالیاتی اور دوران کار (آپریٹنگ) نتائج اور پچھلے سال کے مقابلے میں نمایاں انحرافات، مستقبل کے اہم منصوبوں، خطرات اور غیر یقینی صورت حال، اور کمپنی کے دیگر متعلقہ معاملات کا احاطہ کرتی ہے۔

موجودہ بورڈ آف ڈائرکٹرز کے ارکان کی تعداد دس ہے، جن میں ایک خاتون رکن اور نو مرد اراکین شامل ہیں۔

درج ذیل میں ان اراکین کے نام ہیں جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز رہے ہیں:

1. جناب صدرالدین ہاشوانی
2. جناب مرتضیٰ ہاشوانی
3. جناب ایم اے باوانی
4. جناب شاکر ابوبکر
5. سید حسیب امجد گردیزی
6. جناب ایم احمد غزالی مرغوب
7. محترمہ عائشہ خان
8. جناب روحیل اجمل
9. جناب شاہد حسین
10. جناب محمد سلیم احمد رانجھا

KEY OPERATING AND FINANCIAL DATA

		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Gross profit ratio	%	**39.37**	37.90	41.39	31.64	33.42	39.74
Net profit to sales	%	**2.83**	(1.65)	5.08	(5.70)	(21.35)	(8.45)
EBIDTA margin to sales	%	**26.38**	21.95	25.11	24.16	11.39	16.24
Return on equity	%	**0.93**	(0.49)	1.35	(1.15)	(4.99)	(2.47)
Return on capital employed	%	**0.89**	(0.46)	1.11	(0.85)	(3.84)	(1.81)
Return on assets	%	**0.68**	(0.34)	0.92	(0.72)	(3.14)	(1.60)
Liquidity Ratios							
Current ratio		**0.31**	0.89	1.06	1.15	0.58	1.10
Quick / acid test ratio		**0.27**	0.86	1.02	1.11	0.55	1.05
Cash and bank to current liabilities		**0.03**	0.02	0.03	0.03	0.04	0.04
Cash flow from operations to sales		**0.03**	0.01	0.07	0.07	(0.02)	0.004
Activity Turnover Ratios							
Inventory turnover	Days	**27**	27	24	24	19	18
Debtors turnover	Days	**34**	57	43	48	14	30
Creditors turnover	Days	**67**	76	54	68	63	27
Operating cycle	Days	**(6)**	8	13	4	(30)	21
Property, plant & equipment turnover	Times	**0.28**	0.29	0.24	0.17	0.19	0.25
Total assets turnover	Times	**0.24**	0.20	0.18	0.13	0.15	0.19
Investment / Market Ratios							
Earnings /(Loss)per share - basic and diluted	Rs	**13.08**	(6.71)	18.73	(12.17)	(53.62)	(26.55)
Price earning ratio	Rs	**63.95**	(115.48)	82.22	(73.94)	(18.46)	(38.42)
Market value per share at year end	Rs	**836.50**	775.00	1,540.00	900.00	990.00	1,020.00
Highest market value per share during the year	Rs	**1,124.63**	2,310.00	1,757.90	988.00	1,066.00	1,060.00
Lowest market value per share during the year	Rs	**650.00**	645.00	887.13	842.00	894.00	900.00
Breakup value per share (Including the effect of surplus on revaluation of property, plant & equipment).	Rs	**1,411**	1,382	1,388	1,061	1,074	1,073
Breakup value per share (Excluding surplus on revaluation of property, plant & equipment).	Rs	**343**	260	187	166	175	227
Capital Structure Ratios							
Financial leverage ratio		**0.18**	0.27	0.30	0.42	0.40	0.42
Long term debt : Equity (Including the effect of surplus on revaluation of property, plant & equipment)		**0.005**	0.03	0.19	0.33	0.27	0.33
Long term debt : Equity (Excluding surplus on revaluation of property, plant & equipment)		**0.02**	0.18	1.39	2.10	1.64	1.57
Interest cover ratio		**1.01**	0.93	1.47	0.43	(0.16)	0.89
Summary of Cash Flows							
Net cash flow from operating activities	(Rs.000)	**389,457**	97,051	786,143	488,929	(123,098)	44,292
Net cash flow from investing activities	(Rs.000)	**3,045,439**	1,756,413	427,284	67,160	(79,271)	(5,034,912)
Net cash flow from financing activities	(Rs.000)	**(3,584,432)**	(1,243,171)	(706,832)	(622,075)	(1,022,868)	3,273,770
Net change in cash and cash equivalents	(Rs.000)	**(149,536)**	610,293	506,595	(65,986)	(1,225,237)	(1,716,850)

HORIZONTAL ANALYSIS

Balance Sheet

(Rs. '000)	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18
		%		%		%		%		%		%
Equity												
Share Capital	325,242	-	325,242	-	325,242	-	325,242	-	325,242	-	325,242	-
Capital reserves	269,424	-	269,424	-	269,424	-	269,424	-	269,424	-	269,424	-
Revenue reserves	10,563,097	34.62	7,846,376	42.88	5,491,769	14.17	4,810,061	(5.46)	5,087,599	(24.96)	6,779,566	(12.12)
Revaluation surplus on property, plant and equipment	34,737,301	(4.82)	36,498,204	(6.58)	39,067,870	34.23	29,105,049	(0.47)	29,243,030	6.22	27,530,740	-
Total equity	45,895,064	2.13	44,939,246	(0.48)	45,154,305	30.84	34,509,776	(1.19)	34,925,295	0.06	34,904,972	(2.61)
Liabilities												
Loans and borrowings	228,427	(84.90)	1,513,050	(82.10)	8,451,722	(25.46)	11,338,247	21.58	9,325,615	(19.67)	11,609,181	20.23
Lease liabilities	167,776	(10.56)	187,581	(12.14)	213,491	65.13	129,287	(38.64)	210,697	849.38	22,193	100.00
Deferred government grant	-	-	-	(100.00)	4,638	(77.92)	21,004	(30.33)	30,148	100.00	-	-
Employee benefits	1,096,144	12.22	976,778	11.91	872,791	27.46	684,741	(1.96)	698,462	(9.72)	773,666	16.15
Deferred tax liability-net	-	-	-	-	-	-	-	(100.00)	239,465	(44.31)	429,984	57.77
Other Non Current Liabilities	210,252	48.11	141,960	997.57	12,934	(31.21)	18,801	100.00	-	-	-	-
Non-current liabilities	1,702,599	(39.61)	2,819,369	(70.50)	9,555,576	(21.62)	12,192,080	16.07	10,504,387	(18.16)	12,835,024	21.15
Trade and other payables	3,682,435	10.76	3,324,697	31.30	2,532,060	23.81	2,045,151	(7.66)	2,214,846	42.61	1,553,107	(20.39)
Contract liabilities	974,760	22.58	795,235	11.87	710,863	38.74	512,381	26.85	403,933	1.00	399,943	100.00
Short term borrowings	1,865,227	15.64	1,613,027	(28.03)	2,241,140	(14.22)	2,612,631	(6.93)	2,807,284	121.99	1,264,583	121.56
Current portion of loans and borrowings	8,021,018	(24.47)	10,620,322	117.63	4,879,957	59.62	3,057,314	(32.45)	4,525,870	47.21	3,074,497	97.76
Current portion of lease liabilities	105,567	(11.27)	118,977	18.33	100,546	12.67	89,241	(14.83)	104,785	690.65	13,253	100.00
Advance against non-current assets held for sale	-	(100.00)	500,000	(42.86)	875,000	100.00	-	(100.00)	12,000	100.00	-	-
Other Liabilities	11,246	100.00	-	-	-	-	-	-	-	-	-	-
Unclaime dividend	9,242	-	9,242	-	9,242	-	9,242	-	9,242	-	9,242	-
Unpaid dividend	1,528	-	1,528	-	1,528	-	1,528	-	1,528	-	1,528	(92.05)
Current liabilities	14,671,023	(13.61)	16,983,028	49.63	11,350,336	36.30	8,327,488	(17.38)	10,079,488	59.58	6,316,153	53.87
Total equity and liabilities	62,268,686	(3.82)	64,741,643	(2.00)	66,060,217	20.05	55,029,344	(0.86)	55,509,170	2.69	54,056,149	6.96
Assets												
Property, plant and equipment	54,567,607	17.70	46,360,926	(6.41)	49,534,613	24.72	39,716,318	(9.20)	43,738,846	8.10	40,462,093	1.34
Advances for capital expenditure	1,176,152	(1.12)	1,189,494	6.05	1,121,685	1.55	1,104,612	(17.45)	1,338,170	(34.95)	2,057,190	34.26
Intangible Assets	67,510	(26.18)	91,454	(26.18)	123,896	63.92	75,585	100.00	-	-	-	-
Investment property	72,000	(10.00)	80,000	-	80,000	14.29	70,000	7.69	65,000	8.33	60,000	-
Long term investments	895,794	(13.68)	1,037,794	-	1,037,794	-	1,037,794	-	1,037,794	-	1,037,794	-
Advances against equity investment	731,000	-	731,000	(60.99)	1,874,071	(43.65)	3,325,571	(2.55)	3,412,571	-	3,412,571	69.39
Long term deposits and prepayments	17,580	(8.82)	19,281	(11.45)	21,773	(22.74)	28,181	(16.27)	33,657	(45.99)	62,316	64.12
Deffered Tax Assets-net	182,712	(4.79)	191,901	(33.30)	287,702	261.88	79,502	100.00	-	-	-	-
Non-current assets	57,710,355	16.11	49,701,850	(8.10)	54,081,534	19.02	45,437,563	(8.44)	49,626,038	5.38	47,091,964	169.12
Inventories	536,645	5.09	510,658	29.37	394,715	10.94	355,806	22.81	289,712	(7.63)	313,644	12.05
Trade debts	879,974	(6.35)	939,652	20.31	781,041	92.86	404,972	107.16	195,492	(64.02)	543,377	(22.89)
Contract assets	46,156	123.84	20,620	(25.44)	27,654	20.96	22,863	538.99	3,578	(87.97)	29,752	100.00
Advances, prepayments, trade deposits, and other receivables	844,213	(56.73)	1,951,222	351.53	432,135	44.90	298,225	(19.69)	371,355	(7.45)	401,258	33.93
Short term investments	1,412,907	24.36	1,136,110	(35.20)	1,753,240	36.07	1,288,487	1.15	1,273,816	(25.79)	1,716,437	(45.04)
Short Term Advances	-	-	-	-	-	-	-	-	-	(100.00)	515,000	1,187.50
Advance income tax - net	398,480	(49.37)	787,018	45.42	541,212	9.22	495,508	2.97	481,238	5.79	454,898	109.73
Non-current assets held for sale	-	(100.00)	9,339,704	21.94	7,659,099	18.89	6,442,198	121.48	2,908,739	5.82	2,748,739	100.00
Cash and bank balances	439,956	24.00	354,809	(8.93)	389,587	37.31	283,722	(21.01)	359,202	49.00	241,080	(80.98)
Current assets	4,558,330	(69.69)	15,039,793	25.55	11,978,683	24.88	9,591,781	63.04	5,883,132	(15.52)	6,964,185	17.41
Total assets	62,268,686	(3.82)	64,741,643	(2.00)	66,060,217	20.05	55,029,344	(0.86)	55,509,170	2.69	54,056,149	6.96

Profit and Loss Account

	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18
Revenue - Gross	17,934,423	14.10	15,718,075	10.47	14,228,668	73.54	8,198,862	(14.39)	9,576,845	(20.08)	11,982,998	(3.07)
Discount and Commissions	(449,841)	33.05	(338,102)	14.84	(294,405)	71.81	(171,352)	30.90	(130,905)	(3.84)	(136,138)	(19.24)
Sales tax	(2,439,880)	15.20	(2,117,936)	8.85	(1,945,775)	79.06	(1,086,689)	(14.94)	(1,277,527)	(21.56)	(1,628,765)	(2.26)
Revenue - net	15,044,702	13.44	13,262,037	10.62	11,988,488	72.72	6,940,821	(15.03)	8,168,413	(20.06)	10,218,095	(2.94)
Cost of sales and services	(9,121,553)	10.76	(8,235,348)	17.21	(7,026,233)	48.09	(4,744,596)	(12.77)	(5,438,898)	(11.67)	(6,157,666)	9.04
Gross profit	5,923,149	17.83	5,026,689	1.30	4,962,255	125.94	2,196,225	(19.54)	2,729,515	(32.78)	4,060,429	(16.79)
Other income	863,762	84.79	467,420	216.57	147,651	(55.56)	332,253	9.03	304,743	64.31	185,469	22.02
Administrative expenses	(4,080,247)	5.98	(3,849,838)	32.81	(2,898,746)	45.83	(1,987,791)	(31.48)	(2,901,127)	(9.26)	(3,197,078)	(2.17)
Impairment of investment in subsidiary	(142,000)	100.00	-	-	-	-	-	-	-	-	-	-
(Allowance)/reversal for impairment loss on trade debtors	(77,495)	156.74	136,587	181.83	(166,907)	(236.37)	122,392	204.62	(116,986)	410.52	(22,915)	(100.00)
Other expense	-	-	-	-	-	(100.00)	(134,394)	(55.34)	(300,895)	(100.00)	-	-
Operating profit / (loss)	2,487,169	39.66	1,780,858	(12.88)	2,044,253	286.67	528,685	285.67	(284,750)	(127.76)	1,025,905	(41.84)
Finance income	271,147	1.95	265,967	94.35	136,851	33.57	102,458	(39.45)	169,207	(32.65)	251,218	153.09
Gain/(loss) on remeasurement of investments to fair value - net	274,786	(605.36)	(54,374)	(67.18)	(165,660)	(1,010.67)	18,191	2,598.96	674	100.14	(491,660)	96.29
Finance cost	(2,463,829)	28.01	(1,924,677)	38.62	(1,388,442)	13.20	(1,226,577)	(29.04)	(1,728,614)	49.73	(1,154,494)	59.13
Net finance cost	(1,917,896)	11.96	(1,713,084)	20.87	(1,417,251)	28.15	(1,105,928)	(29.05)	(1,558,733)	11.74	(1,394,936)	59.11
Profit/ (loss) before minimum and final tax	569,273	739.96	67,774	(89.19)	627,002	208.62	(577,243)	(68.69)	(1,843,483)	399.55	(369,031)	(141.60)
Minimum & final tax	(199,136)	55.24	(128,274)	-	-	-	-	-	-	-	-	-
Profit/(loss) before taxation	370,137	(711.80)	(60,500)	(109.65)	627,002	208.62	(577,243)	(68.69)	(1,843,483)	399.55	(369,031)	(141.60)
Income tax	55,327	(135.07)	(157,776)	784.25	(17,843)	(109.84)	181,351	82.32	99,469	120.12	(494,367)	26.26
Profit/(loss) for the year	425,464	(294.92)	(218,276)	(135.83)	609,159	253.87	(395,892)	(77.30)	(1,744,014)	101.99	(863,398)	(274.23)
Earnings/(loss) per share - basic and diluted (Rupees)	13.08	(294.92)	(6.71)	(135.83)	18.73	253.87	(12.17)	(77.30)	(53.62)	101.99	(26.55)	(274.23)

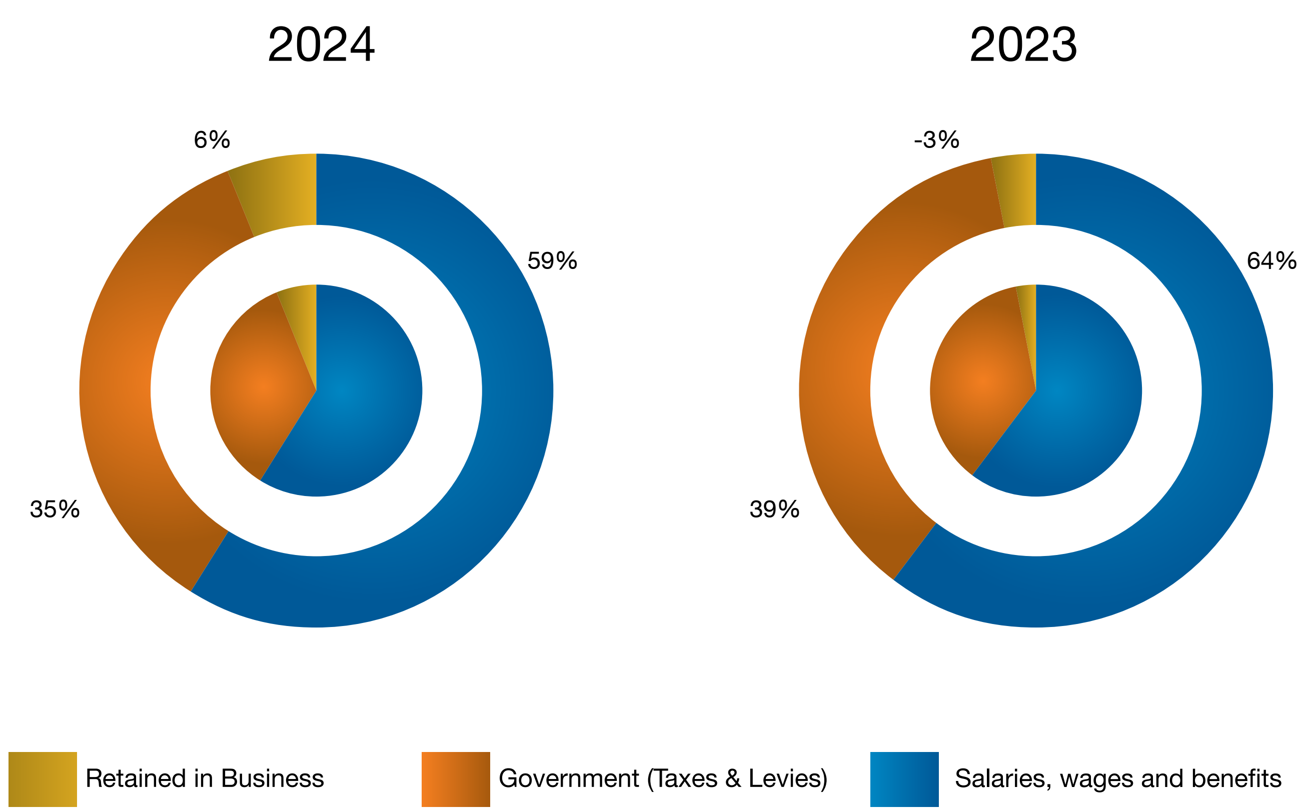
VERTICAL ANALYSIS

Balance Sheet

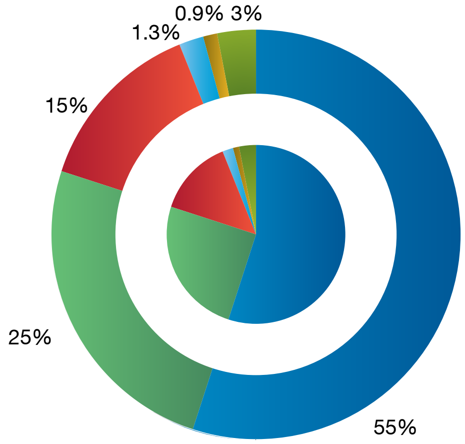
(Rs. '000)	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
Equity												
Share Capital	325,242	0.52	325,242	0.50	325,242	0.49	325,242	0.59	325,242	0.59	325,242	0.60
Capital reserves	269,424	0.43	269,424	0.42	269,424	0.41	269,424	0.49	269,424	0.49	269,424	0.50
Revenue reserves	10,563,097	16.96	7,846,376	12.12	5,491,769	8.31	4,810,061	8.74	5,087,599	9.17	6,779,566	12.54
Revaluation surplus on property, plant and equipment	34,737,301	55.79	36,498,204	56.38	39,067,870	59.14	29,105,049	52.89	29,243,030	52.68	27,530,740	50.93
Total equity	45,895,064	73.70	44,939,246	69.41	45,154,305	68.35	34,509,776	62.71	34,925,295	62.92	34,904,972	64.57
Liabilities												
Loans and borrowings	228,427	0.37	1,513,050	2.34	8,451,722	12.79	11,338,247	20.60	9,325,615	16.80	11,609,181	21.48
Lease liabilities	167,776	0.27	187,581	0.29	213,491	0.32	129,287	0.23	210,697	0.38	22,193	0.04
Deferred government grant	-	-	-	-	4,638	0.01	21,004	0.04	30,148	0.05	-	-
Employee benefits	1,096,144	1.76	976,778	1.51	872,791	1.32	684,741	1.24	698,462	1.26	773,666	1.43
Deferred tax liability-net	-	-	-	-	-	-	-	-	239,465	0.43	429,984	0.80
Other Non Current Liabilities	210,252	0.34	141,960	0.22	12,934	0.02	18,801	0.03	-	-	-	-
Non current liabilities	1,702,599	2.73	2,819,369	4.35	9,555,576	14.46	12,192,080	22.16	10,504,387	18.92	12,835,024	23.74
Trade and other payables	3,682,435	5.91	3,324,697	5.14	2,532,060	3.83	2,045,151	3.72	2,214,846	3.99	1,553,107	2.87
Contract Liabilities	974,760	1.57	795,235	1.23	710,863	1.08	512,381	0.93	403,933	0.73	399,943	0.74
Markup payable	-	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings	1,865,227	3.00	1,613,027	2.49	2,241,140	3.39	2,612,631	4.75	2,807,284	5.06	1,264,583	2.34
Current portion of loans and borrowings	8,021,018	12.88	10,620,322	16.40	4,879,957	7.39	3,057,314	5.56	4,525,870	8.15	3,074,497	5.69
Current portion of lease liabilities	105,567	0.17	118,977	0.18	100,546	0.15	89,241	0.16	104,785	0.19	13,253	-
Advance against non-current assets held for sale	-	-	500,000	0.77	875,000	1.32	-	-	12,000	0.02	-	-
Other Liabilities	11,246	0.02	-	-	-	-	-	-	-	-	-	-
Unclaime dividend	9,242	0.01	9,242	0.01	9,242	0.01	9,242	0.02	9,242	0.02	9,242	0.02
Unpaid dividend	1,528	0.00	1,528	0.00	1,528	0.00	1,528	0.00	1,528	0.00	1,528	0.00
Current liabilities	14,671,023	23.56	16,983,028	26.23	11,350,336	17.18	8,327,488	15.13	10,079,488	18.16	6,316,153	11.68
Total equity and liabilities	62,268,686	100.00	64,741,643	100.00	66,060,217	100.00	55,029,344	100.00	55,509,170	100.00	54,056,149	100.00
Assets												
Property, plant and equipment	54,567,607	87.63	46,360,926	71.61	49,534,613	74.98	39,716,318	72.17	43,738,846	78.80	40,462,093	74.85
Advance for capital expenditure	1,176,152	1.89	1,189,494	1.84	1,121,685	1.70	1,104,612	2.01	1,338,170	2.41	2,057,190	3.81
Intangible Asset	67,510	0.11	91,454	0.14	123,896	0.19	75,585	0.14	-	-	-	-
Investment property	72,000	0.12	80,000	0.12	80,000	0.12	70,000	0.13	65,000	0.12	60,000	0.11
Long term investments	895,794	1.44	1,037,794	1.60	1,037,794	1.57	1,037,794	1.89	1,037,794	1.87	1,037,794	1.92
Advance for equity investment	731,000	1.17	731,000	1.13	1,874,071	2.84	3,325,571	6.04	3,412,571	6.15	3,412,571	6.31
Long term deposits and prepayments	17,580	0.03	19,281	0.03	21,773	0.03	28,181	0.05	33,657	0.06	62,316	0.12
Deffered tax assets-net	182,712	0.29	191,901	0.30	287,702	0.44	79,502	0.14	-	-	-	-
Non-current assets	57,710,355	92.68	49,701,850	76.77	54,081,534	81.87	45,437,563	82.57	49,626,038	89.40	47,091,964	87.12
Inventories	536,645	0.86	510,658	0.79	394,715	0.60	355,806	0.65	289,712	0.52	313,644	0.58
Trade debts	879,974	1.41	939,652	1.45	781,041	1.18	404,972	0.74	195,492	0.35	543,377	1.01
Contract Assets	46,156	0.07	20,620	0.03	27,654	0.04	22,863	0.04	3,578	0.01	29,752	0.06
Advances, prepayments, trade deposits,		-		-		-	-	-		-	-	-
and other receivables	844,213	1.36	1,951,222	3.01	432,135	0.65	298,225	0.54	371,355	0.67	401,258	0.74
Short term investments	1,412,907	2.27	1,136,110	1.75	1,753,240	2.65	1,288,487	2.34	1,273,816	2.29	1,716,437	3.18
Short Term Advance	-	-	-	-	-	-	-	-	-	-	515,000	0.95
Advance income tax - net	398,480	0.64	787,018	1.22	541,212	0.82	495,508	0.90	481,238	0.87	454,898	0.84
Assets held for sale	-	-	9,339,704	14.43	7,659,099	11.59	6,442,198	11.71	2,908,739	5.24	2,748,739	5.08
Cash and bank balances	439,956	0.71	354,809	0.55	389,587	0.59	283,722	0.52	359,202	0.65	241,080	0.45
Current assets	4,558,330	7.32	15,039,793	23.23	11,978,683	18.13	9,591,781	17.43	5,883,132	10.60	6,964,185	12.88
Total assets	62,268,686	100.00	64,741,643	100.00	66,060,217	100.00	55,029,344	100.00	55,509,170	100.00	54,056,149	100.00
Profit and Loss Account												
Revenue - gross	17,934,423	100.00	15,718,075	100.00	14,228,668	100.00	8,198,862	100.00	9,576,845	100.00	11,982,998	100.00
Discounts and commissions	(449,841)	(2.51)	(338,102)	(2.15)	(294,405)	(2.07)	(171,352)	(2.09)	(130,905)	(1.37)	(136,138)	(1.14)
Sales tax	(2,439,880)	(13.60)	(2,117,936)	(13.47)	(1,945,775)	(13.68)	(1,086,689)	(13.25)	(1,277,527)	(13.34)	(1,628,765)	(13.59)
Revenue - net	15,044,702	83.89	13,262,037	84.37	11,988,488	84.26	6,940,821	84.66	8,168,413	85.29	10,218,095	85.27
Cost of sales and services	(9,121,553)	(50.86)	(8,235,348)	(52.39)	(7,026,233)	(49.38)	(4,744,596)	(68.36)	(5,438,898)	(56.79)	(6,157,666)	(51.39)
Gross profit	5,923,149	39.37	5,026,689	37.90	4,962,255	41.39	2,196,225	31.64	2,729,515	33.42	4,060,429	39.74
Other income	863,762	4.82	467,420	2.97	147,651	1.04	332,253	4.05	304,743	3.18	185,469	1.55
Administrative expenses	(4,080,247)	(22.75)	(3,849,838)	(24.49)	(2,898,746)	(20.37)	(1,987,791)	(24.24)	(2,901,127)	(30.29)	(3,197,078)	(26.68)
Impairment of investment in subsidairy	(142,000)	(0.79)	-	-	-	-	-	-	-	-	-	-
(Allowance)/reversal for impairment loss on trade debtos	(77,495)	(0.43)	136,587	0.87	(166,907)	(1.17)	122,392	1.49	(116,986)	(1.22)	(22,915)	(0.19)
Other expense	-	-	-	-	-	-	(134,394)	(1.64)	(300,895)	(3.14)	-	-
Operating profit /(loss)	2,487,169	13.87	1,780,858	11.33	2,044,253	14.37	528,685	6.45	(284,750)	(2.97)	1,025,905	8.56
Finance income	271,147	1.51	265,967	1.69	136,851	0.96	102,458	1.25	169,207	1.77	251,218	2.10
Gain/(loss) on remeasurement of investments to fair value - net	274,786	1.53	(54,374)	(0.35)	(165,660)	(1.16)	18,191	0.22	674	0.01	(491,660)	(4.10)
Finance cost	(2,463,829)	(13.74)	(1,924,677)	(12.24)	(1,388,442)	(9.76)	(1,226,577)	(14.96)	(1,728,614)	(18.05)	(1,154,494)	(9.63)
Net finance cost	(1,917,896)	(10.69)	(1,713,084)	(10.90)	(1,417,251)	(9.96)	(1,105,928)	(13.49)	(1,558,733)	(16.28)	(1,394,936)	(11.64)
Profit/(loss) before minimum & final tax	569,273	3.17	67,774	0.43	627,002	4.41	(577,243)	(7.04)	(1,843,483)	(19.25)	(369,031)	(3.08)
Minimum & final tax	(199,136)	(1.11)	(128,274)	(0.82)	-	-	-	-	-	-	-	-
Profit/(loss) for the year	370,137	2.46	(60,500)	(0.46)	627,002	5.23	(577,243)	(8.32)	(1,843,483)	(22.57)	(369,031)	(3.61)
Income tax	55,327	0.31	(157,776)	(1.00)	(17,843)	(0.13)	181,351	2.21	99,469	1.04	(494,367)	(4.13)
Profit/(loss) for the year	425,464	2.83	(218,276)	(1.65)	609,159	5.08	(395,892)	(5.70)	(1,744,014)	(21.35)	(863,398)	(8.45)
Earnings/(loss) per share - basic and diluted (Rupees)	13.08		(6.71)		18.73		(12.17)		(53.62)		(26.55)	

STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

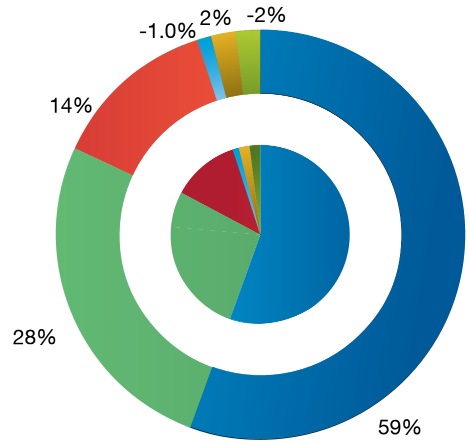
	2023-24	2022-23
	(Rupees'000)	
Value Added		
Sales & Services (Inclusive of GST and other taxes)	17,484,582	15,379,973
Other operating income - net	1,409,695	679,013
	18,894,277	16,058,986
Cost of sales and other expenses (Excluding salaries, wages and benefits & taxes)	(11,465,511)	(9,928,216)
	7,428,766	6,130,770
Distribution		
Salaries, wages and benefits	4,419,613	3,945,059
Government (Taxes & Levies)	2,583,689	2,403,987
Retained in Business	425,464	(218,276)
	7,428,766	6,130,770



APPLICATION OF SALES & OTHER INCOME
FINANCIAL YEAR 2023-24

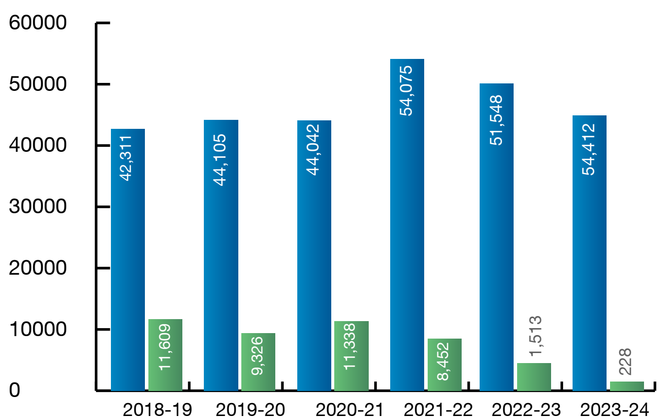


APPLICATION OF SALES & OTHER INCOME
FINANCIAL YEAR 2022-23

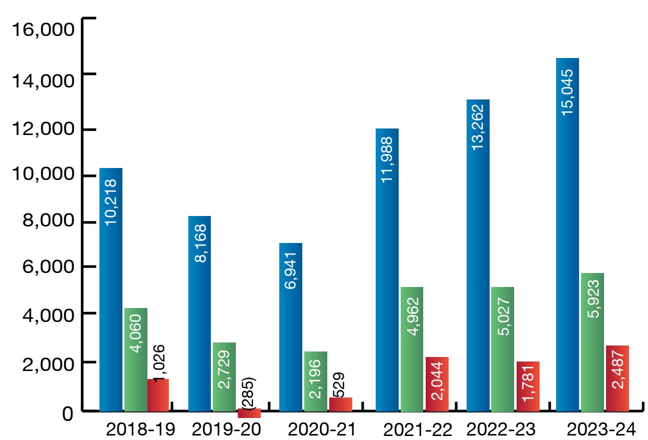


Cost of sales
Administrative expenses
Finance cost
Loss/ (Profit) after tax
Taxation
Other expenses

PROPERTY, PLANT & EQUIPMENT AT COST V/s LONG TERM DEBTS

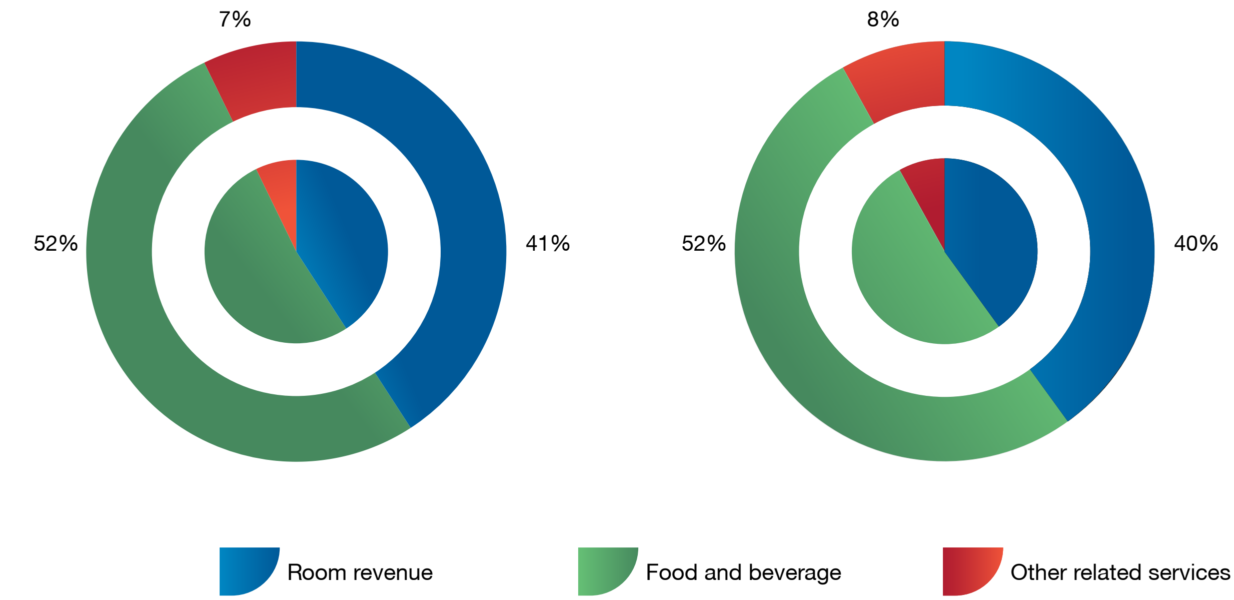


SALES AND SERVICES, GROSS PROFIT, OPERATING PROFIT



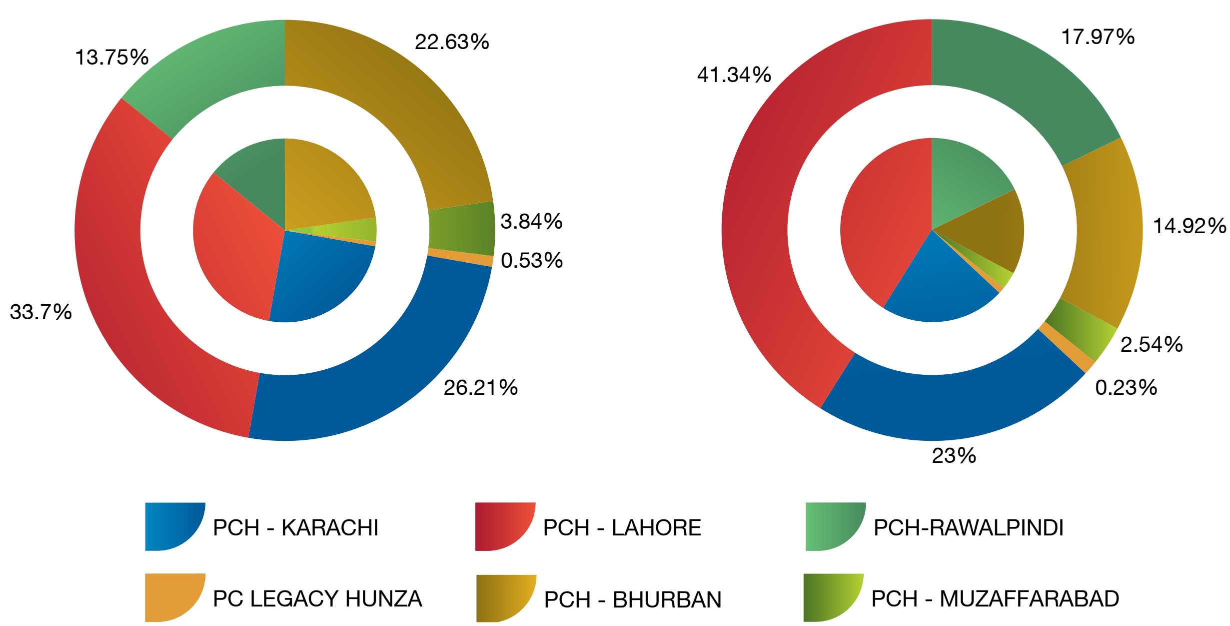
CONTRIBUTION OF MAJOR REVENUE GENERATING DEPARTMENTS
FINANCIAL YEAR 2023-24

CONTRIBUTION OF MAJOR REVENUE GENERATING DEPARTMENTS
FINANCIAL YEAR 2022-23



ROOM REVENUE
2023-24

FOOD AND BEVERAGES REVENUE - HOTEL WISE
2023-24



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

FOR THE YEAR ENDED 30 JUNE 2024

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

1. The total number of directors are ten (10) as per the following:
   a. Male: Nine
   b. Female: One
2. The composition of board is as follows:

Category	Names
Independent Director*	Mr. Rohail Ajmal Mr. Shahid Hussain Mr. Saleem Ahmed Ranjha
Executive Directors**	Mr. Murtaza Hashwani Mr. Shakir Abu Bakar Syed Haseeb Amjad Gardezi
Non-Executive Directors	Mr. Sadruddin Hashwani Mr. M. A. Bawany Mr. M. Ahmed Ghazali Marghoob
Non- Executive Female Director	Ms. Ayesha Khan

* In terms of Regulation No. 6(1) of the Listed Companies Code of Corporate Governance Regulations, 2019, it is mandatory for a listed company to have at least two or one-third members of the board, whichever is higher, as independent directors. The Company's board consists of ten members, one-third works out to 3.33, which is rounded down to 3 because the board remains well-balanced, with sufficient representation of qualified non-executive and independent directors who bring a wealth of experience and expertise to the Company. PSL board ensures that the independent directors exercise full authority in their governance responsibilities while providing effective oversight.

**Regulation No. 8 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, stipulates that executive director, including the Chief Executive Officer, shall not exceed one-third of the Board. During the year, Mr. Murtaza Hashwani, an elected director who was also serving as the CEO of the Company, resigned from the office of CEO. The Board subsequently appointed a new CEO, who is a deemed director. As a result, the fraction of executive directors on the board, calculated as 3.33, was rounded up to 4. Despite this, the Board maintains an appropriate representation of non-executive and independent directors, all of whom possess the necessary qualifications, experience, and expertise to ensure effective governance and oversight.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All Directors have duly obtained training under the Directors' Training Program or are exempted, from the Directors' Training Program. During the year the Company has also arranged a training program for Mr. Muhammad Amir, VP Corporate Affairs & Company Secretary under the Director's Training Program.
10. The Board has approved the appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

Name of Committee	Name of Member
Audit Committee	1. Mr. Shahid Hussain (Chairman) 2. Mr. M. A. Bawany 3. Mr. M. Ahmed Ghazali Marghoob 4. Mr. Rohail Ajmal
HR & Remuneration Committee	1. Mr. Rohail Ajmal (Chairman) 2. Mr. Murtaza Hashwani 3. Mr. M. A. Bawany 4. Syed Haseeb Amjad Gardezi 5. Mr. M. Ahmed Ghazali Marghoob
Nomination Committee	1. Mr. Murtaza Hashwani (Chairman) 2. Mr. M. A. Bawany 3. Mr. Shakir Abu Bakar 4. Syed Haseeb Amjad Gardezi
Risk Management Committee	1. Mr. Murtaza Hashwani (Chairman) 2. Mr. M. A. Bawany 3. Mr. Shakir Abu Bakar 4. Syed Haseeb Amjad Gardezi 5. Ms. Ayesha Khan 6. Mr. Rohail Ajmal

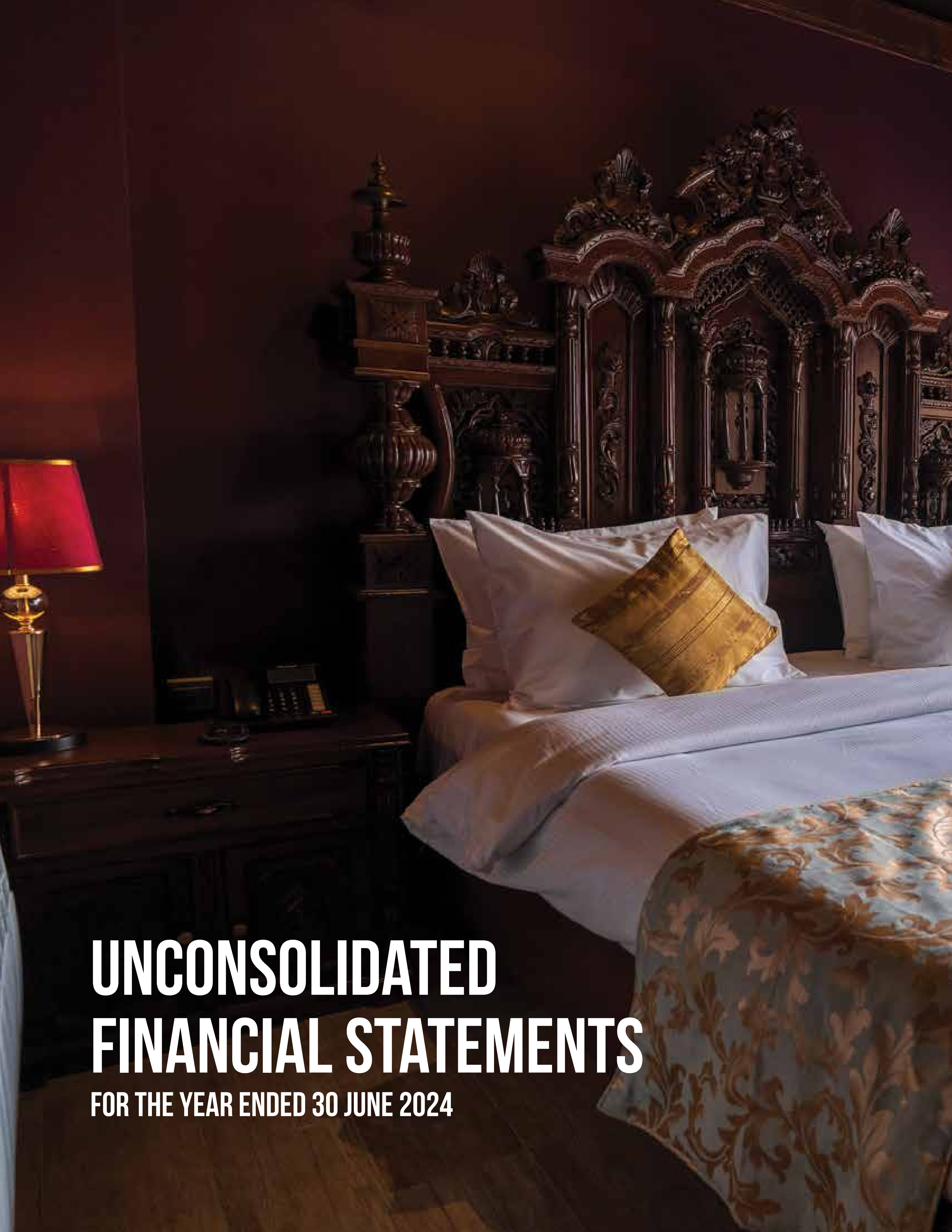
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. Audit Committee meetings were held once every quarter and Human Resource and Remuneration Committee meeting was held once during the year.
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are

below:

Sr. No.	Requirement	Explanation	Regulation No.
1	Role of board and its members to address Sustainability Risks and Opportunities	On June 12, 2024, the Securities and Exchange Commission of Pakistan (SECP) introduced Regulation 10(A) through Notification No. S.R.O. 920(I)/2024 in the Listed Companies (Code of Corporate Governance) Regulations, 2019. The management will take the necessary steps to ensure compliance with this regulation in due course.	10(A)

Sadruddin Hashwani
Chairman
Dated: 29 October, 2024

PC LEGACY, SKARDU



UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

PRESIDENTIAL SUITE, PC LEGACY, SKARDU

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Pakistan Services Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Material Uncertainty Relating to Going Concern

We draw attention to note 2.3 and 8 (Going concern basis of accounting and long term loans and borrowings) which state that as at 30 June 2024, the Company was in breach of its' long term borrowing agreements due to non-payment of its' due obligations and non-compliance with certain required covenants and due to this non-payment of due obligations, one of the Sukuk participants has subsequent to the year-end served a legal notice of default to the Company and its directors, requiring settlement of its share in Sukuk. The Company's current liabilities exceeded its' current assets by Rs. 10.11 billion as at 30 June 2024. As at the date that these unconsolidated financial statements were authorized for issue, management is engaging with its' lenders for further restructuring and based on legal advice believes that it is not likely that the unilateral demand of the Sukuk participant will be enforced. While the negotiations may take its' due course, the management in the interim expects to have adequate resources through the Company's projected operating cashflows and envisaged sponsor support, in case the current debt obligations are required to be repaid and to fund the Company's operations. As a mitigating factor to the liquidity crunch due to timing of generation of operating cashflows, the management envisages sponsor support and the sponsor also remains a guarantor to the existing borrowing of the Company towards Sukuk obligations through a signed guarantee agreement. A formal agreement for sponsors' funding injection will be entered into at the time of repaying the outstanding obligations to determine the exact required amount, if needed. These events along with other events described in note 2.3 (Going concern basis of accounting) indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** Refer to note 3.15 and 31 to the unconsolidated financial statements. The Company recognized gross revenue of Rs. 7,419.85 million and Rs. 9,305.71 million from rooms and sale of food and beverages respectively for the year ended 30 June 2024. We identified recognition of revenue from rooms and sale of food and beverages as a key audit matter because these are key performance indicators of the Company and gives rise to an inherent risk that rooms and food and beverage revenues could be subject to misstatements to meet expectations or targets.	Our audit procedures in this area included, among others: • Obtaining an understanding of the processes relating to recognition of revenue and testing the design and implementation of key internal controls over recording of revenue; • Assessing the appropriateness of accounting policies for revenue recognition for compliance with applicable financial reporting framework; • Comparing a sample of revenue transactions recorded during the year with sales invoices and other relevant underlying supporting documents; • Comparing a sample of revenue transactions recorded before and after the year- end with sales invoices and other relevant underlying supporting documents to evaluate if the related revenue was recorded in the appropriate accounting period; • Assessing the appropriateness of journal entries posted to the revenue accounting during the year, by drawing a sub-population meeting certain specific risk based criteria and comparing the details of such journal entries with the underlying documentation and accounting records; • Carrying out an analysis by developing an expectation of revenue amounts through sales taxes reported in monthly returns filed by the Company with revenue authorities during the year and reconciling the expected revenue with the amounts of revenue recognized in the unconsolidated financial statements; and • Assessing the appropriateness of presentation and disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Information other than the Unconsolidated and Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the Chairman Review, Directors' Report, Key Operating and Financial Data, Horizontal analysis, Vertical Analysis and Statement of Value Addition and its Distribution included in the annual report for the year ended 30 June 2024, but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditors' report is Atif Zamurrad Malik.

KPMG Taseer Hadi

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Date: 01 November 2024

UDIN: AR202410111wQaAp1yOr

INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Services Limited for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the regulations as applicable to the Company for the year ended 30 June 2024.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where it is stated in the Statement of Compliance.

Reference	Description
Paragraph 19(1)	The requirements introduced in regulation 10(A) of the Regulations as notified by the Securities and Exchange Commission of Pakistan vide its Notification No. SRO 920(I)/2024 dated 12 June 2024 will be complied with in due course.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Date: 01 November 2024

UDIN: CR202410111j2bMlpte7

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024	30 June 2023
		(Rupees'000)	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve	5	269,424	269,424
Revenue reserves	6	10,563,097	7,846,376
Revaluation surplus on property, plant and equipment	7	34,737,301	36,498,204
Total equity		45,895,064	44,939,246
LIABILITIES			
Loans and borrowings	8	228,427	1,513,050
Lease liabilities	9	167,776	187,581
Employee benefits	10	1,096,144	976,778
Other liabilities	11	210,252	141,960
Non-current liabilities		1,702,599	2,819,369
Short term borrowings	12	1,865,227	1,613,027
Current portion of loans and borrowings	8	8,021,018	10,620,322
Current portion of lease liabilities	9	105,567	118,977
Trade and other payables	13	3,682,435	3,324,697
Contract liabilities	32	974,760	795,235
Advance against non-current assets held for sale	28	-	500,000
Other liabilities	11	11,246	-
Unpaid dividend	14	1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		14,671,023	16,983,028
Total equity and liabilities		62,268,686	64,741,643
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

	Note	30 June 2024	30 June 2023
		(Rupees'000)	
ASSETS			
Property, plant and equipment	16	54,567,607	46,360,926
Advances for capital expenditure	17	1,176,152	1,189,494
Intangible assets	18	67,510	91,454
Investment property	19	72,000	80,000
Long term investments	20	895,794	1,037,794
Advances against equity investment	21	731,000	731,000
Long term deposits	22	17,581	19,281
Deferred tax assets - net	23	182,712	191,901
Non-current assets		57,710,356	49,701,850
Inventories	24	536,645	510,658
Trade debts	25	879,974	939,652
Contract assets	32	46,156	20,620
Advances, prepayments, trade deposits and other receivables	26	844,212	1,951,222
Short term investments	27	1,412,907	1,136,110
Non-current assets held for sale	28	-	9,339,704
Advance income tax - net	29	398,480	787,018
Cash and bank balances	30	439,956	354,809
Current assets		4,558,330	15,039,793
Total assets		62,268,686	64,741,643

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	Restated 30 June 2023
		(Rupees'000)	
Revenue - net	31	15,044,702	13,262,037
Cost of sales and services	33	(9,121,553)	(8,235,348)
Gross profit		5,923,149	5,026,689
Other income	34	863,762	467,420
Administrative expenses	35	(4,080,247)	(3,849,838)
Impairment of investment in subsidiary	20.3	(142,000)	-
(Allowance) / reversal for expected credit loss	25	(77,495)	136,587
Operating profit		2,487,169	1,780,858
Finance income	36	271,147	265,967
Gain / (loss) on remeasurement of investments to fair value - net		274,786	(54,374)
Finance cost	37	(2,463,829)	(1,924,677)
Net finance cost		(1,917,896)	(1,713,084)
Profit before minimum and final tax		569,273	67,774
Minimum and final tax	38.2	(199,136)	(128,274)
Profit / (loss) before taxation		370,137	(60,500)
Income tax	38	55,327	(157,776)
Profit / (loss) for the year		425,464	(218,276)
Earnings / (loss) per share - basic and diluted (Rupees)	39	13.08	(6.71)

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	30 June 2023
		(Rupees'000)	
Profit / (loss) for the year		425,464	(218,276)
Other comprehensive income			
Items that will not be reclassified to unconsolidated statement of profit or loss			
Remeasurement of defined benefit liability - gratuity	10.1.4	33,368	5,274
Surplus on revaluation of property, plant and equipment		510,000	-
Related tax		(13,014)	(2,057)
Other comprehensive income for the year		530,354	3,217
Total comprehensive income / (loss) for the year		955,818	(215,059)

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Capital reserve	Surplus on revaluation of property, plant and equipment	Revenue reserves		Total equity
				General reserve	Unappropriated profit (note 4.3)	
	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 year						
Loss for the year	-	-	-	-	(218,276)	(218,276)
Other comprehensive income for the year	-	-	-	-	3,217	3,217
Total comprehensive income for the year	-	-	-	-	(215,059)	(215,059)
Transfer on disposal	-	-	(2,569,666)	-	2,569,666	-
Balance at 30 June 2023	325,242	269,424	36,498,204	1,600,000	6,246,376	44,939,246
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 year						
Profit for the year	-	-	-	-	425,464	425,464
Other comprehensive income for the year	-	-	510,000	-	20,354	530,354
Total comprehensive income for the year	-	-	510,000	-	445,818	955,818
Transfer on disposal	-	-	(2,270,903)	-	2,270,903	-
Balance at 30 June 2024	**325,242**	**269,424**	**34,737,301**	**1,600,000**	**8,963,097**	**45,895,064**

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	Restated 30 June 2023
		(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities before working capital changes	40	3,279,304	2,560,661
Working capital changes			
(Increase) / decrease in current assets			
Inventories		(25,987)	(115,879)
Trade debts		(17,817)	(22,024)
Contract assets		(25,536)	7,034
Advances		(86,028)	(29,263)
Trade deposits and prepayments		(13,441)	(41,484)
Other receivables		(86,592)	(155,269)
Increase in liabilities			
Trade and other payables		341,030	766,336
Contract liabilities		170,739	84,372
Cash generated from operations		256,368	493,823
Staff retirement benefit - gratuity paid		(47,394)	(46,806)
Compensated leave absences paid		(27,181)	(29,060)
Minimum and final tax paid - net		(199,136)	(128,274)
Income tax refund / (paid) - net	29	440,041	(309,838)
Finance cost paid		(3,312,545)	(2,443,455)
Net cash generated from operating activities		389,457	97,051
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(2,386,909)	(1,498,942)
Proceeds from disposal of property, plant and equipment	16.1 .8	33,442	70,179
Advances against equity to subsidiaries		-	(150,000)
Equity refunded from subsidiary		1,293,071	-
Short term investments		-	556,000
Advance against non-current asset held for sale		-	500,000
Increase in non-current asset held for sale		-	(333,675)
Proceed against non-current asset held for sale		3,837,999	2,344,220
Dividend income received		75,558	61,427
Receipts of return on bank deposits and short term investments		190,577	204,713
Long term deposits and prepayments		1,701	2,492
Net cash from investing activities		3,045,439	1,756,414
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(3,578,620)	(1,704,652)
Proceeds from loan		-	351,050
Proceeds from allocation of rooms on long term basis		75,298	215,509
Lease liabilities paid	9.3	(81,110)	(90,079)
Transaction cost paid		-	(15,000)
Net cash used in financing activities		(3,584,432)	(1,243,172)
Net (decrease) / increase in cash and cash equivalents		(149,536)	610,293
Cash and cash equivalents at beginning of the year		(1,177,676)	(1,787,969)
Cash and cash equivalents at end of the year	41	(1,327,212)	(1,177,676)

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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 the Companies Act, 2017) as a public limited Company and is quoted on Pakistan Stock Exchange Limited.

The Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Pakistan. The Company also grants franchise to use its trademark and name "Pearl Continental". Further, the Company is also in the process of constructing hotels in Multan, Punjab and Mirpur, Azad Jammu and Kashmir.

The registered office of the Company is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The addresses of lands, hotel buildings where the Company carries out business and other immovable properties owned by the Company located in Karachi, Lahore, Rawalpindi, Bhurban, Multan, Muzaffarabad, Mirpur, Gilgit, Hunza & Chitral are disclosed in note 16.1.5.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards), 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.

In case the requirements of the Companies Act, 2017 differ from the IFRS Standards or IFAS, the requirements of the Companies Act, 2017 have been followed.

2.2 Basis of measurement and preparation

These unconsolidated financial statements have been prepared under historical cost convention except for the following items, which are measured on an alternative basis at each reporting date:

Item	Measurement basis
Lands (freehold and leasehold classified as operating fixed assets)	Revaluation model
Investment property	Fair value
Investments classified as fair value through profit or loss	Fair value
Investments classified as fair value through other comprehensive income	Fair value
Employee benefits - Net defined benefit liability	Present value of the defined benefit liability, determined through actuarial valuation

The methods & assumptions used to measure fair values are disclosed in respective policy notes.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiary Companies, associates and jointly controlled entity are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated financial statements are prepared separately.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.3 Going concern basis of accounting

As at 30 June 2024, the Company was in breach of its' long term borrowing agreements due to non-payment of its' due obligations and non-compliance with certain required covenants (refer note 8). Due to this non-payment of due obligations, one of the lenders has subsequent to the year-end served a legal notice of default to the Company and its Board of Directors, requiring settlement of its share in Sukuk. The Company's current liabilities exceeded its' current assets by Rs. 10.11 billion as at 30 June 2024 which was primarily due to the classification of long-term loans as current liabilities.

As at the date these unconsolidated financial statements were authorized for issue, management is engaging with its' lenders for further restructuring. While the negotiations may take its' due course, the management in the interim expects to have adequate resources through the Company's projected operating cashflows and envisaged sponsor support in case the current debt obligations are required to be repaid and to fund the Company's operations. Accordingly, these unconsolidated financial statements have been prepared on a going concern basis based on the following considerations:

- Management of the Company based on business plan expects to generate adequate operating cashflows amounting to Rs. 2.74 billion (after repayment of mark-up of Rs. 2.69 billion) for the year ending 30 June 2025 providing sufficient debt servicing ability to make principal repayments as per the current contractual repayment terms,
- The improved operating cashflows would result from an increase in revenue which the Company has been achieving in the recent past. This increase is further expected to be coupled with decrease in finance costs and efficient working capital management. The Company is also implementing measures to curtail capital expenditure, incurring only on a need basis, so as to prioritize the reduction of mark-up bearing obligations,
- As a mitigating factor to the liquidity crunch due to timing of generation of operating cashflows, the management envisages sponsor support to meet any shortfall. Sponsor remains committed and has confirmed the continued support and to fund any cash gap as required. With respect to the legal notice, the Company through its legal counsel has responded to the notice and already has a deposit balance of Rs. 120 million with the participant. As of the date on which these unconsolidated financial statements are authorized for issue, the Company has not received any other notice from either the agent bank of lenders or other Sukuk participants. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced (refer to note 38.5.1(iii)), however, in case of any adverse eventuality this demand will be bridged through financial support from the sponsor of the Company. The sponsor also remains a guarantor to the existing borrowing of the Company towards Sukuk obligations through a signed guarantee agreement. A formal agreement for sponsors' funding injection will be entered into at the time of repaying the outstanding obligations to determine the exact amount, when required, and
- Although the loan related obligations are classified as current in these unconsolidated financial statements, management after taking into account the implications of above mentioned legal notice and legal advice, does not expect to pay the lenders accelerated payments, if:
    a. the overdue amounts are repaid (operating cash flows and envisaged funds injection by the sponsor is expected to be sufficient); or
    b. management further progresses in the restructuring negotiations and manages to agree revised repayment terms of loans.

Based on the factors explained above, management has a reasonable expectation that the Company has and will have adequate resources to continue in operational existence for the foreseeable future and therefore it remains appropriate to prepare the unconsolidated financial statements on a going concern basis.

Management acknowledges that the manner and timing of all the assumptions and projected results envisaged in management's assessment and cashflow projections are always subject to unforeseen variability, and these may differ due to events and conditions outside the control of management. The events and conditions above indicate a material uncertainty on the manner of achievement of planned actions and projected results that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The unconsolidated financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency).

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

2.5 Use of estimates and judgments

In preparing these unconsolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

Significant accounting estimates and judgments
- Note 3.1 & 16.1 – depreciation of operating fixed assets;
- Note 16.1.3 – revalued amounts of freehold and leasehold land;
- Note 16, 20 – impairment of non-current assets;
- Note 15.1 & 38.5 - provisions and contingencies;
- Note 3.13 & 10 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3.14 & 38 - income tax;
- Note 3.9.1 & 25 - measurement of allowance for expected credit loss; and
- Note 2.3 - going concern basis of accounting.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these unconsolidated financial statements except for the changes described below:

- The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. Although the amendments did not result in any change to the accounting policies themselves, they impacted the accounting policy information disclosed in these unconsolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand from the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies which are stated in the sub-notes.

- The Company adopted an amendment to IAS - 12 'Income Taxes' related to initial recognition exemption clarifying that the available exemption does not apply to transactions that give rise to equal and offsetting temporary differences. This adoption has no impact on the carrying amount of assets and liabilities recognized in these unconsolidated financial statements as the Company was already recognizing these off-setting temporary differences.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

- The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum taxes and certain final taxes paid should be classified as 'levies' and not income tax in the unconsolidated statement of profit or loss. Since, the impact of the said changes is material, per the abovesaid guidance issued by ICAP and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively. Accordingly, the Company has restated its comparative information presented in the unconsolidated statement of profit or loss by reclassifying levies amounting to Rs. 128,273,862 from 'Income tax' to 'Minimum and final tax'. In the unconsolidated statement of cash flows, the Income tax paid under the 'operating activities' has been reduced by Rs. 128,273,862 corresponding to an increase to 'Minimum and final tax paid' by the same amount (refer note 50).

3.1 **Property, plant and equipment and advances for capital expenditure**

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses except for:

- land (freehold and leasehold) which is not depreciated and carried at revalued amounts.
- capital work in progress and advances for capital expenditure which are stated at cost less impairment loss, if any.

Cost comprises of purchase price and other directly attributable costs less refundable taxes. The cost of self-constructed assets includes the cost of materials and direct labor, and any other costs directly attributable to bringing the assets to a working condition or location for their intended use. The completed or / acquired capital work in progress and advance for capital expenditure is transferred to the respective item of operating fixed assets when it becomes available for intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Land (freehold and leasehold) are recognized at revalued amounts based on valuation by external, independent and accredited valuer. Long term leases of land in which the Company obtains perpetual ownership rights are accounted for as property, plant and equipment and presented as 'leasehold land'. Revaluation surplus on property, plant and equipment is credited to shareholders' equity and presented as a separate line item in unconsolidated statement of financial position. Increases in the carrying amounts arising on revaluation of land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in unconsolidated statement of profit or loss, the increase is first recognized in unconsolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to unconsolidated statement of profit or loss.

Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognized in unconsolidated statement of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the diminishing balance method over their estimated useful lives on monthly basis and is recognized in unconsolidated statement of profit or loss. Capital work in progress is not depreciated. Rates of depreciation are mentioned in note 16.1.

Depreciation on additions to property, plant and equipment is charged on pro-rata basis when it is available for intended use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Any leasehold improvements which are expected to provide economic benefits to the Company only during the term of the lease are depreciated on a straight line basis over the lease term.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

3.2 Intangible assets

Intangible assets are measured at cost, less accumulated amortization, and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the diminishing balance method over their estimated useful lives, on monthly basis and is recognized in unconsolidated statement of profit or loss. Amortization rate is mentioned in note 18.

Amortization on additions to intangible assets is charged on pro-rata basis when it is available for its intended use to management.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

3.3 Leases

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

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term except where title of the underlying asset is expected to pass to the Company in which case the right of use asset is depreciated on its useful life. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Rates of depreciation are mentioned in note 16.1.

The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' in the unconsolidated statement of financial position.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments or lease term.

Short term leases and low-value assets

The Company has elected not to recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and the leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.4 Investments

All purchases and sale of investments are recognized using settlement date accounting that is, the date on which investments are delivered to or by the Company. All investments are derecognized when the right to receive economic benefits from the investments has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3.4.1 Investments in subsidiaries

Investments in subsidiaries are initially recognized at cost. At subsequent reporting dates, recoverable amounts are estimated if the indicators of impairment exist to determine the extent of impairment loss, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to their revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognized in the unconsolidated statement of profit or loss.

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The profits and losses of subsidiaries are carried forward in their own financial statements and not dealt within these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries which is unrecognized as finance income in the unconsolidated statement of profit or loss.

3.4.2 Investments in associates and jointly controlled entities

Associates

Investments in associates, where the Company has significant influence but not control over the financial and operating policies, are classified as fair value through profit or loss.

Jointly controlled entities

Investments in jointly controlled entities are initially recognized at cost. At subsequent reporting date, the recoverable amounts are estimated if indicators of impairment exist to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss. Gain and losses on disposal of investment is included in other income.

The profits or losses of jointly controlled entities are carried forward in their own financial statements and not dealt within these unconsolidated financial statements except to the extent of dividend declared by the jointly controlled entity which is recognized as a finance income.

3.4.3 Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking are classified as fair value through profit or loss and designated as such upon initial recognition. These are stated at fair value with any resulting gains or losses recognized directly in unconsolidated statement of profit or loss. The Company recognized the regular way purchase or sale of financial assets using settlement date accounting.

3.5 Inventories

3.5.1 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of; weighted average cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. For items which are slow moving and / or identified as surplus to the Company’s requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amounts of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stores, spare parts and loose tools.

3.5.2 Stock in trade

These are valued at lower of; weighted average cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make a sale. The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stock in trade.

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3.6 Financial instruments

The Company initially recognizes financial assets on the date when they are originated. Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

3.6.1 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

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Financial assets at amortized cost	These assets are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in unconsolidated statement of profit or loss. Any gain or loss on de-recognition is recognized in unconsolidated statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in unconsolidated statement of profit or loss. Other net gains and losses are recognized in unconsolidated statement of comprehensive income. On de-recognition, gains and losses accumulated in equity reserve are reclassified to unconsolidated statement of profit or loss.
Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in unconsolidated statement of profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in unconsolidated statement of comprehensive income and are never reclassified to unconsolidated statement of profit or loss.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.6.2 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in unconsolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in unconsolidated statement of profit or loss. Any gain or loss on de-recognition is also included in unconsolidated statement of profit or loss.
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the unconsolidated statement of profit or loss for the year in which it arises.

3.6.3 Offsetting

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

3.7 Trade and other receivables

Trade and other receivables are recognized and carried at the original invoice amounts, less an allowance for expected credit loss, if any. The Company applies simplified approach as allowed under IFRS-9 to measure the expected credit losses (ECL) on trade debts. The ECL model requires the Company to recognize an allowance for all financial assets carried at amortized cost including trade debts and other receivables.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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3.8 Trade and other payables

Trade and other payables are initially carried at the fair value of the consideration to be paid in future for goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

3.9 Impairment

3.9.1 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. These are provided in full in the unconsolidated statement of profit or loss and are not subject to simplified approach.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof and the write-off has been approved at appropriate levels within the Company.

3.9.2 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a risk adjusted pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss. Impairment losses in respect of cash-generating units are allocated to the carrying amounts of assets in the cash-generating unit group on pro-rata basis. An impairment loss is reversed only to the extent that the asset or CGUs carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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3.10 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

3.11 Contingent liabilities

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

3.12 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.13 Employee benefits

3.13.1 Defined benefit plans

(a) Gratuity

The Company operates defined benefit plan comprising an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

The Company's net liability in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method (PUC).

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Interest expense and other expenses related to defined benefit plans are recognized in unconsolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in unconsolidated statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(b) Compensated leave absences

The Company operates defined benefit plan comprising an unfunded compensated leave absences scheme covering all eligible employees as specified by the scheme.

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The Company recognizes provision for compensated absences on the un-availed balance of eligible leaves of all its permanent and unionized employees. The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method (PUC) and related expense related to defined benefit plans are recognized in unconsolidated statement of profit or loss.

3.13.2 Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13.3 Defined contribution plan – Provident fund

The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at an agreed rate of salary, the fund is managed by its Board of Trustee. The contributions of the Company are charged to unconsolidated statement of profit or loss.

3.14 Income tax

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

Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amounts payable under the tax laws which are in excess of tax charged on taxable profits are recognized as levies (minimum and final taxes). Further, withholding taxes on dividends received from a subsidiary, associate or joint venture is classified as a current tax whereas dividend received from investments in equity instruments held for trading purposes is charged as a levy (final tax) in the unconsolidated statement of profit or loss.

Deferred tax

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

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

3.15 Revenue recognition

The Company generates revenue from room rentals, food and beverages sales, franchise & management fee, shop license fees and revenue from minor operating departments.

3.15.1 Revenue from contracts with customers

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms, and the related revenue recognition policies.

Type of services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Room revenue	The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefit. There is no financing component involved. Discounts are offered to the customers at the management's discretion.	Room revenue is recognized on the rooms occupied on daily basis and after completing all other obligation related to the room.
Food and beverages revenue	The performance obligation is satisfied at the point in time when food and beverages are served to the customer. For service charges levied on food and beverages, the performance obligation is satisfied at the point in time when the food and beverages are served. There is no financing component involved. Discounts are offered to the customers at the management's discretion.	Food and beverages revenue is recognized on consumption of food and beverages by the customer.
Revenue from other related services	The performance obligation is satisfied at the point in time / over time when services are provided to the customer. There is no financing component involved. Discounts are offered to the customers at the management's discretion.	Revenue from other related services is recognized when the services are provided.
Revenue from franchise & management fee	The performance obligation is satisfied over time as and when management and technical services are provided to the customer. There is no financing component involved.	Revenue is recognized when it is probable that the related economic benefits will flow to the entity.

Contract cost

The contract cost is the incremental cost that the Company incurs to obtain a contract with customers that it would not have incurred if the contract had not been obtained. The Company recognizes contract cost as an expense in the unconsolidated statement of profit or loss using a practical expedient which allows the expense recognition on an incurred basis when the related revenue from contract with customer is expected to be realized within twelve months.

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Contract assets

The contract assets primarily relate to the Company's right to consideration for service provided but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional. This usually occurs when the Company issue an invoice to the customer.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfer services to a customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company perform its performance obligation under the contract.

3.16 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses, if any, on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in unconsolidated statement of profit or loss. Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Held for sale assets which are no longer expected to be disposed off within next twelve months from the reporting date are re-classified as property, plant and equipment along with cumulative catch-up adjustment being recognized during the year which would have been accounted for if the classification as held for sale was not earlier made.

3.17 Finance income and finance costs

The Company's finance income and finance costs include interest income, dividend income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. Interest income or expense is recognized using the effective interest method. Dividend income is recognized in unconsolidated statement of profit or loss on the date on which the Company's right to receive payment is established.

Mark-up, interest and other charges on borrowings used for the acquisition and construction of qualifying assets are capitalized up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related property, plant and equipment acquired/constructed out of the proceeds of such borrowings. Borrowing cost capitalization is suspended when there is no active period of construction.

3.18 Ijarah contracts

Assets held under Ijarah arrangement are not recognized in the Company's unconsolidated statement of financial position. Payments made under ijarah contracts are charged to unconsolidated statement of profit or loss on a straight-line basis over the term of the Ijarah lease arrangements.

3.19 Cash and cash equivalents

Cash and cash equivalents are carried at amortized cost and mainly comprise of bank balances and short-term borrowings (running finances) under mark-up arrangements, used by the Company in the management of its short-term commitments.

3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management 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 management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized 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 fall into different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.22 OTHER ACCOUNTING POLICY INFORMATION

3.22.1 Foreign currency transactions and translation

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the date of unconsolidated statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the unconsolidated statement of profit or loss.

3.22.2 Government grant

The Company recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with grant. Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

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3.22.3 Other income

Communication towers and other rental income is recognized on an accrual basis over the agreed payment terms. Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis as other income.

3.22.4 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in unconsolidated statement of profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in unconsolidated statement of profit or loss.

3.23 Standards, Interpretations and Amendments to the Approved Accounting 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 1 July 2024 and may have impact on material accounting policy information. The Company is in the process of evaluating the potential impact of the amendments on these unconsolidated financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1

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January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

  Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
  - the nature and financial impacts of the currency not being exchangeable;
  - the spot exchange rate used;
  - the estimation process; and
  - risks to the company because the currency is not exchangeable.

  The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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4 SHARE CAPITAL

4.1 **Authorised share capital**

Authorized share capital is 200,000,000 (2023: 200,000,000) ordinary share of Rs. 10 each.

4.2 **Issued, subscribed and paid up share capital**

2024	2023		2024	2023
Number of shares			(Rupees'000)	
		Ordinary shares of Rs.10 each		
25,672,620	25,672,620	- Fully paid in cash	256,726	256,726
362,100	362,100	- For consideration other than cash (against property)	3,621	3,621
6,489,450	6,489,450	- Bonus shares	64,895	64,895
32,524,170	32,524,170		325,242	325,242

4.2.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.

4.2.2 As of the reporting date 10,373,749 (2023: 10,373,749) and 509,514 (2023: 509,514) ordinary shares of Rs. 10 each were held by associated companies and directors of the Company respectively.

4.3 **Capital management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year except to the extent as disclosed in note 2.3 (Going Concern basis of Accounting). Under the terms of the loan agreements the Company is required to maintain certain thresholds of current ratio, debt to equity ratio and debt service coverage ratio as part of its loan covenants. Refer note 8. The Company is also barred from payment of any dividend, further unappropriated profit includes an amount of Rs. 5,342 million (2023: Rs. 3,048 million) on account of surplus on revaluation of lands and net gain on disposal of capital assets, distribution of the same is subject to section 240 of Companies Act 2017.

5 CAPITAL RESERVES	Note	2024	2023
		(Rupees'000)	
Share premium	5.1	269,424	269,424

5.1 Capital reserve represents share premium as and when received.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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6 REVENUE RESERVES

	2024	2023
	(Rupees'000)	
General reserve	1,600,000	1,600,000
Unappropriated profits	8,963,097	6,246,376
	10,563,097	7,846,376

7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees'000)	
Balance at 01 July		36,498,204	39,067,870
Surplus on revaluation recognized during the year (note 16.1.3)		510,000	-
Transferred to revenue reserves		(2,270,903)	(2,569,666)
Balance at 30 June		34,737,301	36,498,204

8 LOANS AND BORROWINGS - SECURED

	Note	2024	2023
a. Non current potion			
Term Finance Loan - 1	8.1	892,081	1,915,649
Term Finance Loan - 2	8.2	499,987	1,333,333
Term Finance Loan - 3	8.3	1,199,980	1,600,000
Term Finance Loan - 4	8.4	309,264	351,050
Sukuk	8.5	4,473,129	5,751,166
Transaction cost		(18,236)	(32,711)
		7,356,205	10,918,487
Current portion of loans		(7,127,778)	(9,405,437)
		228,427	1,513,050
b. Current portion			
Current portion of loans	8.6	7,127,778	9,405,437
Markup accrued		893,240	1,214,885
		8,021,018	10,620,322

8.1 This represents outstanding balance of term finance loan of Rs. 3,000 million carrying markup of 3-month KIBOR plus 0.75% (2023: 3-month KIBOR plus 0.75% to 1.5% prior to restructuring) payable quarterly. These are secured against first pari passu equitable mortgage charge on land and building of Pearl Continental Hotel, Rawalpindi for an amount of Rs. 2,734 million (2023: Rs. 2,734 million), first pari passu charge over all present and future movable assets of Pearl Continental Hotel, Rawalpindi to the extent of Rs. 734 million (2023: Rs. 734 million). During the year, the Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.3, the Company didn't comply with the required loan covenants as at 30th June 2024, accordingly, the entire outstanding obligation has been classified as a current liability in these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

8.2 This represents the outstanding balance of term finance loan of Rs. 3,000 million carrying markup of 3-month KIBOR plus 0.75% (2023: 3-month KIBOR plus 0.75%) per annum payable quarterly. This facility is secured against first pari-passu charge over land and building of Pearl Continental Hotel, Karachi and ranking hypothecation charge on all present and future fixed and current assets of Pearl Continental Hotel, Karachi to the extent of Rs. 4,000 million (2023: Rs. 4,000 million) and Equitable mortgage and hypothecation charge on fixed assets of Pearl Continental Hotel Multan to the extent of Rs. 2.983 million (2023: Nil) and Rs. 1,127 million respectively. This loan facility was restructured during the year on 15th September 2023 and accordingly, the Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.3, the Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the required loan covenants as at 30th June 2024, accordingly the entire outstanding obligation has been classified as a current liability in the unconsolidated financial statements.

8.3 This represents the outstanding balance of term finance loan of Rs. 2,000 million carrying markup of 6-month KIBOR plus 0.65% (2023: 6-month KIBOR plus 0.65%) per annuum payable semi-annually. This facility is secured against first pari passu charge over Pearl Continental Hotel, Rawalpindi to the extent of Rs. 3,464 million. This loan facility was restructured during the year on 11th August 2023 and accordingly, the Company made payments towards deferred markup and principal balances as requried under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.3, the Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the requried loan covenants as at 30th June 2024, accordingly the entire outstanding obligation has been classified as a current liability in the unconsolidated financial statements.

8.4 This represents outstanding balance of sale and lease back facility availed by the Company from an Islamic financial institution. The facility carries markup of 3-month KIBOR plus 1% to 1.5% (2023: 3-month KIBOR plus 1% to 1.5%) per annum payable monthly. The facility is secured by way of charge on specific machinery and equipment to the extent of Rs. 430 million (2023: Rs. 430 million).

8.5 This represents outstanding balance of rated, secured, long term privately placed Sukuk certificates. Pak Brunei Investment Company Limited is the trustee while Faysal Bank Limited is acting as shariah structuring advisor for this Sukuk arrangement. The Sukuk's original tenure was six years, and carries profit of 03-month KIBOR plus 1% (2023: 3-month KIBOR plus 1%) per annum payable quarterly. The Sukuk is secured by way of first mortgage charge on Pearl Continental Hotel, Lahore with 25% margin and hypothecation on all the present and future assets (excluding land and building) of Pearl Continental Hotel, Lahore. During the year, the Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.3, the Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the requried loan covenants as at 30th June 2024, accordingly the entire outstanding obligation has been classified as a current liability in the unconsolidated financial statements.

8.6 Since the company couldn't comply with the terms of restructuring agreement as at 30th June 2024, these outstanding obligations are classified as current as the company lacks a contractual right to defer settlement beyond 12 months after the reporting date. Had the corrective measure been in place as at the reporting date, the current portion would have amounted to Rs 4.06 billion.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

		Note	2024	2023
			(Rupees'000)	
9	LEASE LIABILITIES			
	Lease liabilities - Vehicles	9.1	23,224	16,861
	Lease liabilities - Land and rental spaces		250,119	289,697
		9.2	273,343	306,558
	Current portion		105,567	118,977
	Non current portion		167,776	187,581

9.1 This represents outstanding balance of diminishing musharika facility from an Islamic financial institution and carries markup of 3-month KIBOR plus 1% (2023: 3-month KIBOR plus 1%) per annum payable monthly. The facility is secured by way of ownership of leased assets.

		2024	2023
9.2	Maturity of Lease liabilities is follows	(Rupees'000)	
	Not later than one year	126,702	133,616
	Later than one year and not later than five years	141,913	175,371
	Later than five year	409,366	410,105
		677,980	719,092
	Imputed interest	(404,637)	(412,534)
		273,343	306,558
9.3	Movement of lease liabilities is as follows:		
	Balance as at 01 July	306,558	314,037
	Interest expense	37,114	40,369
	Additions	51,174	82,600
	Termination	(3,279)	-
	Payments	(118,224)	(130,448)
		273,343	306,558

9.4 The Company has recognised lease rentals in the unconsolidated statement of profit or loss amounting to Rs. 23.462 million (2023: Rs. 26.616 million) relating to short term leases.

9.5 The Company has recognised variable lease consideration of Rs. 15.260 million (2023: Rs. 0.910 million) in the unconsolidated statement of profit or loss on account of lease rental under franchise arrangement.

9.6 The current payable amount to related party is Rs. 4.0 million (2023: Rs. 7.6 million).

		Note	2024	2023
10	EMPLOYEE BENEFITS		(Rupees'000)	
	Net defined benefit liability - gratuity	10.1.1	934,027	832,960
	Net defined benefit liability - compensated leave absences	10.2.1	162,117	143,818
			1,096,144	976,778

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10.1 Net defined benefit liability - gratuity

The Company operates an unfunded gratuity scheme for its eligible employees detail of which are as follows:

		Note	2024	2023
			(Rupees'000)	
10.1.1	**Movement in net defined liability - gratuity**			
	Present value of defined benefit obligation		832,960	747,269
	Included in profit or loss	10.1.3	196,933	153,977
	Benefits paid		(47,394)	(46,806)
	Benefits due but not paid		(15,104)	(16,206)
	Included in other comprehensive income	10.1.4	(33,368)	(5,274)
	Balance at 30 June		934,027	832,960
10.1.2	**Reconciliation of liability recognised in the statement of financial position**			
	Present value of defined benefit liability		934,027	832,960
	Net defined benefit liability		934,027	832,960
10.1.3	**Included in profit or loss**			
	Current service cost		66,655	59,138
	Interest cost		130,278	94,839
			196,933	153,977
10.1.3.1	**Expense is recognized in the following line items in profit or loss**			
	Cost of sales and services		128,989	94,727
	Administrative expenses		67,945	59,250
			196,933	153,977
10.1.4	**Included in other comprehensive income**			
	Actuarial gain from changes in financial assumptions		(39,770)	(28,697)
	Experience adjustments on defined benefit liability		6,402	23,423
			(33,368)	(5,274)

10.1.5 Actuarial assumptions

The latest actuarial valuation was carried out on 30 June 2024 using projected unit credit method with the following assumptions:

	Note	2024	2023
Significant assumptions			
Discount rate		14.75%	16.25%
Expected increase in eligible salary		14.75%	12.00%
Other assumptions			
Mortality rate	10.1.5.1	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rate		Age - based	Age - based
Retirement assumption		Age-60	Age-60

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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10.1.5.1 Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

10.1.5.2 **Sensitivity analysis of significant assumptions**

For a change of 100 basis points, present value of defined benefit liability at reporting date would have been as follows:

	2024		2023	
	Increase	Decrease	Increase	Decrease
	(Rupees'000)		(Rupees'000)	
Discount rate	**889,643**	**982,196**	791,462	878,087
Salary increase rate	**982,833**	**888,274**	878,636	790,235

10.1.5.3 Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

10.1.5.4 The Company's expected charge for the defined benefit liability - gratuity for the next year is Rs. 203.924 million.

10.1.6 **Risk associated with defined benefit liability- gratuity**

10.1.6.1 **Salary risk- (linked to inflation risk)**

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

10.1.6.2 **Demographic risks**

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

10.1.7 **Expected benefit payments for the next 10 years and beyond;**

	2024	2023
Years	(Rupees '000)	
FY 2024	-	50,830
FY 2025	**68,288**	102,549
FY 2026	**98,349**	103,642
FY 2027	**131,048**	133,326
FY 2028	**136,100**	132,637
FY 2029	**291,614**	324,505
FY 2030	**226,459**	250,268
FY 2031	**255,992**	278,124
FY 2032	**173,498**	176,904
FY 2033	**257,801**	290,809
FY 2034	**222,242**	-
FY 2034 onward	-	3,146,907
FY 2035 onward	**2,669,639**	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10.2 Net defined benefit liability - compensated leave absences

The Company operates an unfunded compensated leave absences scheme covering all eligible employees detail of which are as follows:

		Note	2024	2023
			(Rupees'000)	
10.2.1	**Movement in defined benefit liability compensated leave absences**			
	Present value of defined benefit obligation		143,818	125,522
	Included in profit or loss	10.2.3	47,084	49,550
	Benefits paid		(27,181)	(29,060)
	Benefits due but not paid		(1,604)	(2,194)
	Balance at 30 June		162,117	143,818
10.2.2	**Reconciliation of liability recognised in the statement of financial position**			
	Present value of defined benefit liability		162,117	143,818
	Net defined benefit liability		162,117	143,818
10.2.3	**Included in profit or loss**			
	Current service cost		30,200	30,828
	Interest cost		21,035	14,561
	Past service cost		1,021	(4,276)
	Experience adjustments on defined benefit liability		(5,172)	8,437
			47,084	49,550
10.2.3.1	**Expense is recognized in the following line items in profit or loss**			
	Cost of sales and services		18,754	19,522
	Administrative expenses		28,330	30,028
			47,084	49,550
10.2.4	**Actuarial assumption**			
	Significant assumptions			
	Discount rate		14.75%	16.25%
	Expected increase in eligible salary		14.75%	12.00%
	Other assumptions			
	Mortality rate	10.2.4.1	SLIC 2001-2005	SLIC 2001-2005
	Withdrawal rate		Age - based	Age - based
	Retirement assumption		Age-60	Age-60

10.2.4.1 Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

10.2.4.2 Sensitivity analysis

For a change of 100 basis points, present value of defined benefit liability at reporting date would have been as follows:

	2024		2023	
	Increase	Decrease	Increase	Decrease
	(Rupees'000)		(Rupees'000)	
Discount rate	151,159	174,445	134,204	154,632
Salary increase rate	174,665	150,764	154,352	134,296

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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10.2.4.3 Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

10.2.5 Risk associated with defined benefit liability - compensated leave absences

10.2.5.1 Salary risk - (linked to inflation risk)

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

10.2.5.2 Demographic risks

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

11 OTHER LIABILITIES	Note	2024	2023
		(Rupees'000)	
Other liabilities	11.1	221,497	141,960
		221,497	141,960
Current portion		11,245	-
Non current portion		210,252	141,960

11.1 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, 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.

12 SHORT TERM BORROWINGS	Note	2024	2023
		(Rupees'000)	
Running finance facilities - from banking companies- secured	12.1	1,765,754	1,531,623
Markup accrued		99,473	81,404
		1,865,227	1,613,027

12.1 These facilities are obtained from various commercial banks with an aggregate limit of Rs. 1,820 million (2023: Rs. 1,830 million) which are secured against pari passu equitable mortgage charge and all present and future fixed assets and hypothecation charge on all present and future current assets of Pearl Continental Hotel Karachi and Rawalpindi and lien on certain listed securities and TFCs held by the Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus 0.6% to 1.5% (2023: 1-month KIBOR to 3-month KIBOR plus 0.6% to 1.5%) per annum.

12.2 The Company has unutilised running finance facilities aggregating to Rs. 54.24 million (2023: Rs.298.40 million) at the year end.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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13	TRADE AND OTHER PAYABLES	Note	2024	2023
			(Rupees'000)	
	Creditors		1,674,553	1,712,323
	Accrued liabilities	13.3	951,436	728,997
	Shop deposits	13.1	50,895	50,795
	Retention money		149,747	149,167
	Due to related parties - unsecured		134,650	64,747
	Sales tax payable		246,855	218,507
	Income tax deducted at source		106,942	53,808
	Un earned income		35,339	37,700
	Other liabilities	13.2	323,925	308,653
	Provident fund payable		8,093	-
			3,682,435	3,324,697

13.1 As per terms of written agreement with customers, the amount of shop deposits are fully utilizable by the Company and have been utilized for business purpose.

13.2 This includes amount of Rs. 8.04 million (2023: Rs. 20.71 million) payable to director of the Company.

13.3 This mainly includes accrued liabilities of the Company related to operating expenses.

14 UNPAID DIVIDEND

14.1 As per the provision of Section-242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01, August, 2017, cash dividend will only be paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provide their valid bank accounts details.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 For legal and tax related contingencies, refer to note 38.5.

15.1.2	Guarantees	Note	2024	2023
			(Rupees'000)	
	Guarantees issued by banks on behalf of the Company.		350,110	329,200
15.1.2.1	This also includes guarantee of Rs.7 million on behalf of wholly owned subsidiary company.			
15.2	**Commitments**			
	Commitments for capital expenditure		3,007,411	2,915,776
15.2.1	Due to reasons explained in note 2.3, the Company intends to re-negotiate the timing of capital expenditure.			

16	PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
	Operating fixed assets	16.1	44,468,273	42,489,556
	Capital work in progress	16.2	10,099,334	3,871,370
			54,567,607	46,360,926

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

16.1 OPERATING FIXED ASSETS

16.1.1 Reconciliation of carrying amount

	Owned							Leased	Right of use asset		
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Furniture, fixtures, fittings and office equipment	Computers	Vehicles	Land and rental spaces	Vehicles	Total
	Rupees'000										
Cost / Revalued amounts											
Balance at 01 July 2022	21,237,779	16,750,430	2,947,392	2,402,054	5,418,107	3,916,781	786,862	202,189	317,859	95,393	54,074,846
Additions	-	-	-	-	48,426	20,436	27,776	31,744	75,369	8,034	211,785
Disposals	-	-	-	-	(7,906)		(2,402)	(72,867)	-	-	(83,175)
Transfer	-	-	-	-	-	-	-	27,230	-	(27,230)	-
Lease termination	-	-	-	-	-	-	-	-	(24,997)		(24,997)
Transfer from CWIP	-	-	350,408	418,457	236,064	157,057	588	-	-	-	1,162,574
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Transfer to non-current asset held for sale	(3,660,000)	-	(128,739)	-	-	-	-	(3,389)	-	-	(3,792,128)
Balance at 30 June 2023	17,577,779	16,750,430	3,169,061	2,820,511	5,694,691	4,094,274	812,824	184,907	368,231	76,197	51,548,905
Balance at 01 July 2023	17,577,779	16,750,430	3,169,061	2,820,511	5,694,691	4,094,274	812,824	184,907	368,231	76,197	51,548,905
Additions	-	-	-	-	72,552	10,223	16,120	2,065	31,736	21,597	154,293
Disposals	-	-	-	-	(7,357)	(99)	(1,919)	(2,972)	-	(11,693)	(24,040)
Transfer from CWIP (refer note 16.2)	-	-	254,613	1,064,584	238,936	319,126	-	-	-	-	1,877,259
Lease termination	-	-	-	-	-	-	-	-	(17,611)	-	(17,611)
Transfer	-	-	-	-	-	-	-	56,470	-	(56,470)	-
Revaluation surplus (note 16.1.3)	510,000	-	-	-	-	-	-	-	-	-	510,000
Transfer from non-current asset held for sale	360,000	-	-	-	-	-	3,300	-	-	-	363,300
Transfer to non-current asset held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	18,447,779	16,750,430	3,423,674	3,885,095	5,998,822	4,423,524	830,325	240,470	382,356	29,631	54,412,106
Accumulated depreciation											
Balance at 01 July 2022	-	-	942,210	947,929	3,411,850	2,158,574	605,316	110,385	53,134	41,677	8,271,075
Depreciation (refer note)	-	-	104,133	83,181	288,862	254,718	50,991	11,411	85,474	7,215	885,985
Transfer to CWIP	-	-	-	-	-	-	-	-	1,154	-	1,154
Disposals	-	-	-	-	(7,267)	-	(1,494)	(41,326)	-	-	(50,087)
Transfer	-	-	-	-	-	-	-	9,597	-	(9,597)	-
Lease termination	-	-	-	-	-	-	-	-	(24,997)	-	(24,997)
Transfer to non-current asset held for sale	-	-	(22,497)	-	-	-	-	(1,284)	-	-	(23,781)
Balance at 30 June 2023	-	-	1,023,846	1,031,110	3,693,445	2,413,292	654,813	88,783	114,765	39,295	9,059,349
Adjusted balance at 01 July 2023	-	-	1,023,846	1,031,110	3,693,445	2,413,292	654,813	88,783	114,765	39,295	9,059,349
Depreciation (refer note 16.1.6)	-	-	109,837	107,781	290,032	247,617	43,286	12,462	94,501	6,495	912,010
Transfer to CWIP	-	-	-	-	-	-	-	-	1,154	-	1,154
Disposals	-	-	-	-	(6,845)	(80)	(1,358)	(434)	-	(5,076)	(13,793)
Transfer	-	-	-	-	-	-	-	37,305	-	(37,305)	-
Lease termination	-	-	-	-	-	-	-	-	(14,888)	-	(14,888)
Transfer to non-current asset held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	-	-	1,133,683	1,138,891	3,976,632	2,660,829	696,741	138,116	195,532	3,409	9,943,833
Carrying amount - 30 June 2023	17,577,779	16,750,430	2,145,215	1,789,401	2,001,246	1,680,982	158,011	96,124	253,466	36,902	42,489,556
Carrying amount - 30 June 2024	18,447,779	16,750,430	2,289,991	2,746,204	2,022,190	1,762,695	133,584	102,354	186,824	26,222	44,468,273
Rates of depreciation per month/useful life (2024 and 2023)	-	-	5%	5%	15%	15%	30%	15%	02 - 44 years	15%	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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16.1.2 The operating fixed assets are secured against various loans availed by the Company. Refer note 8 and 12.

16.1.3 **Revaluation surplus on property, plant and equipment**

Freehold and leasehold land other than land of Pearl Continental Multan were last revalued on 30 June 2022. The independent valuation exercise was carried out by an accredited valuer and was based on market research carried out in the vicinity of the property to ascertain pricing ranges for similar assets from multiple sources i.e., market approach. The fair value of Pearl Continental Multan land was carried out as at 30 June 2024 due to re-classification from non-current assets held for sale (refer note 28.2) and accordingly resulted in a revaluation gain of Rs. 510 million. The fair value of the property fell under level 2 hierarchy as per IFRS – 13 'Fair value measurements' as the pricing sources are gathered through market corroborated inputs. These pricing ranges are then scanned for the most comparable source based on usage characteristics and area/location among other factors resulting in a range of Rs. 1.5 million to Rs. 3.5 million. Other pricing adjustments are then incorporated based on factors such as corner preference premium of 10%, property access and location premium of 15%, land usage premium of 50-100%, negotiations discount of 10% & a size discount factor of 5-10%. The adjustments made to observable pricing sources derived from similar assets are not significant to the entire fair value measurement resulting in a level 2 categorization. Management doesn't expect any further material change in the revalued amounts of other properties.

Had the aforementioned revaluation not been carried out, the book value of freehold and leasehold land would have been Rs. 460.90 million (2023: Rs. 244.34 million).

16.1.4 The forced sale value of the revalued land has been assessed at Rs. 28,112 million (2023: Rs. 27,459 million).

16.1.5 Particulars of business units and immovable fixed assets (i.e. land and building) of the Company are as follows:

Location	Address	Particular	Land area (Sq. yards)
Karachi	Plot No. 11, CL 11, Club Road - hotel property	Land and building	23,255
Lahore	Upper Mall - hotel property	Land and building	74,440
Lahore	Defence Housing Authority (refer note 16.1.7)	Building	
Rawalpindi	Property No.253, Survey No. 559, The Mall Road - hotel property	Land and building	26,668
Multan	Askari By-Pass Road, Mouza Abdul Fateh - hotel property under construction	Land and under Construction building	8,303
Hunza	Mominabad	Land	24,107
Gilgit	Airport Road	Land	16,375
Chitral	Zargarandeh	Land	11,464
Bhurban	Compartment No. 08, at Bhurban Tehsil, Murree - hotel property	Building	-
Muzaffarabad	Upper Chattar, Muzaffarabad. - hotel property	Building	-
Mirpur	Village Bhurban Tehsil & District, Mirpur (AJK) - hotel property under construction	Under construction building	-
Hunza	Nasserabad, Hunza	-	-
Karachi	First floor, Cotton exchange building, I.I Chundrigar Rd, Karachi	-	-

16.1.6 **Depreciation charge has been allocated as follows:**

	Note	2024	2023
		(Rupees'000)	
Cost of sales and services	33	**735,758**	720,460
Administrative expenses	35	**176,252**	165,525
		912,010	885,985

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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16.1.7 The Company constructed building for spa and saloon facility under an agreement of absolute transfer and assignment agreement with Nirvana, a partnership firm - a related party . As per the term of the said agreement Nirvana will use two floors of this building. Since completion certificate from Defence Housing Authority Lahore (DHAL) has not been obtained yet, therefore the transfer of title of the property is pending. The carrying value of this building is Rs. 72.178 million.

16.1 .8 **Detail of disposal of operating fixed assets:**

Description	Cost	Carrying value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Purchaser	Relationship with purchaser
	(Rupees'000)						
Plant & Machinery	7,357	512	2,830	2,318	Auction	Fahad Khan & Co	Fahad Khan & Co (Auction)
Vehicle	1,516	678	686	9	Company Policy	Mr. Owais Arif	Employee
Vehicle	1,291	1,167	1,167	-	Company Policy	Faisal Naeem Khan	Employee
Vehicle	881	720	3,155	2,435	Auction	Tahir Mahmood	Employee
Vehicle	999	628	799	172	Company Policy	Zia Ul Haq	Employee
Vehicle	999	628	2,110	1,482	Company Policy	Khurram Shahzad	Employee
Vehicle	2,555	1,379	1,379	-	Company Policy	Syed Imtiaz Hussain Shah	Employee
Vehicle	1,376	832	1,171	339	Auction	Syed Sulaiman Tahir	-
Vehicle	1,003	607	2,101	1,495	Company Policy	Muhammad Zubair	Employee
Vehicle	1,033	609	803	194	Auction	Syed Irfan Haider Rizvi	Employee
Aggregate of other items with individual book values not exceeding Rs. 500,000	5,029	2,487	17,240	14,753			
2024	**24,040**	**10,247**	**33,442**	**23,195**			
2023	83,175	33,088	70,179	37,090			

16.2	**Capital work in progress**	**Note**	**2024**	**2023**
			(Rupees'000)	
	Balance at 01 July		**3,871,370**	3,730,842
	Additions during the year		**2,143,904**	1,345,749
	Transfers to operating fixed assets		**(1,877,259)**	(1,162,574)
	Transfers from / (to) assets held for sale	28.2	**5,961,319**	(42,647)
	Balance at 30 June		**10,099,334**	3,871,370
16.2.1	Construction of Pearl Continental Hotel Mirpur	16.2.3	**3,664,299**	3,654,757
	Construction of Pearl Continental Hotel Multan	16.2.2	**5,961,319**	-
	Other civil works		**473,716**	216,613
			10,099,334	3,871,370

16.2.2 This represents carrying amount of asset held for sale (PC Multan) which has been transferred from non-current assets held for sale at year end, as further described in note 28.2. This also includes capitalized borrowing cost amounting to Rs. 2,281 million (2023: Rs. 1,684 million). During the year, borrowing cost amounting to Rs. 597 million is capitalized at the rate of 22.72% (2023: Rs. 699.45 million at the rate of 15.98%).

16.2.3 This also includes capitalized borrowing cost amounting to Rs. 507.46 million (2023: Rs. 507.46 million). During the year, no borrowing cost is capitalized on account of suspension of work.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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17 ADVANCES FOR CAPITAL EXPENDITURES	Note	2024	2023
		(Rupees'000)	
Advance for purchase of land	17.1	668,820	668,820
Advance for purchase of Malir Delta Land	17.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,010,476	1,010,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		16,549	45,803
Advances for Pearl Continental Multan Project	17.3	15,912	-
Advances for Pearl Continental Mirpur Project		133,215	133,215
		165,676	179,018
		1,176,152	1,189,494

17.1 This includes amount of Rs. 626.82 million (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 filed an appeal in the Honarable 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. During the current year, the Honarable Islamabad High Court vide order dated 13 December 2023 has decided the matter in favor of the Company.

17.2 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 based on the legal advice believes that the chances of an unfavorable outcome are low. 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 per the sale deed 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, accordingly no provision has been recognized in these unconsolidated financial statements.

17.3 This represents amount paid to a related party of the Company on account of project management services amounting to Rs. 15.91 million (2023: Nil).

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		Note	2024	2023
18	INTANGIBLE ASSET		(Rupees'000)	
	Software		67,510	91,454
	Cost			
	Opening balance		200,180	200,180
	Additions		-	-
	Closing balance		200,180	200,180
	Accumulated amortisation			
	Opening balance		108,726	76,284
	Amortisation charge		23,944	32,442
	Closing balance		132,670	108,726
	Net book value			
	Cost		200,180	200,180
	Accumulated amortisation		(132,670)	(108,726)
	Closing balance		67,510	91,454
	Amortization rate per annum		30%	30%

		Note	2024	2023
19	INVESTMENT PROPERTY		(Rupees'000)	
19.1	Reconciliation of carrying amount			
	Balance at 01 July		80,000	80,000
	Decrease in fair value	19.2	(8,000)	-
	Balance at 30 June		72,000	80,000

19.1 .1 This represents piece of land, located at Gwadar, owned by the Company held for capital appreciation. On 30 June 2024, an independent valuation exercise was carried out by an accredited valuer and was based on market research carried out in the vicinity of the property to ascertain pricing ranges for similar assets from multiple sources i.e., market approach. The fair value when determined fell under level 2 hierarchy as per IFRS – 13 'Fair value measurements' as the pricing sources are gathered through market corroborated inputs. These pricing ranges are then scanned for the most comparable source based on usage characteristics and area/location among other factors resulting in a range of Rs. 66 million to Rs. 75 million. Other pricing adjustments are then incorporated based on factors such as corner preference premium of 7%, property access and location premium of 15%, land size discount of 10% & negotiations discount of 10%. The adjustments made to observable pricing sources derived from similar assets are not significant to the entire fair value measurement resulting in a level 2 categorization.

Location	Area (Sq. yards)	FSV Rs. '000'
Khasra no. 59 min, khewat no.12, and khatooni no. 12, katat 20, mouza ankara north, tehsil & district Gwadar, Balochistan	484,000	57,600

19.2 Changes in fair value are recognised as gains/(losses) in unconsolidated statement of profit or loss and included in other income. All changes in fair value of investment property are unrealised.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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		Country of incorporation / Jurisdiction	Amount in Foreign Currency	Percentage of holding	Note	2024	2023
						(Rupees'000)	
20	LONG TERM INVESTMENTS						
	Investments in related parties						
	Subsidiary companies - at cost - unquoted						
	Pearl Continental Hotels (Private) Limited	Pakistan		100%	20.1	5,000	5,000
	Pearl Tours and Travels (Private) Limited	Pakistan		100%	20.2	102,227	102,227
	City Properties (Private) Limited	Pakistan		100%	20.3	925,001	925,001
	Elite Properties (Private) Limited	Pakistan		100%	20.4	5,566	5,566
	Less: Impairment loss				20.3	(142,000)	-
						895,794	1,037,794
	Associated undertaking - at fair value through profit or loss - unquoted						
	Hashoo Group Limited	British Virgin Island	$9,800,000	14%	20.5	586,403	586,403
	Impairment loss					(586,403)	(586,403)
	Hotel One (Private) Limited	Pakistan		17.85%	20.6	50,000	50,000
	Impairment loss					(50,000)	(50,000)
						-	-
	Investment in jointly controlled entity - at cost - unquoted						
	Pearl Continental Hotels Limited	United Arab Emirates	$4,750,000	50%	20.7	284,052	284,052
	Impairment loss					(284,052)	(284,052)
						-	-
	Other investments						
	Fair value through other comprehensive income						
	Malam Jabba Resorts Limited					1,000	1,000
	Impairment loss					(1,000)	(1,000)
						-	-
						895,794	1,037,794

20.1 **Pearl Continental Hotels (Private) Limited**

This represents the Company's investment in 100% equity shares of Pearl Continental Hotels (Private) Limited (PCHPL). The Company holds 500,000 (2023: 500,000) ordinary shares of Rs. 10 each. The break-up value per share based on audited financial statements for the year ended 30 June 2024 was Rs. 35.22 (2023: Rs. 29.74).

20.2 **Pearl Tours and Travels (Private) Limited**

This represents the Company's investment in 100% equity shares of Pearl Tours and Travels (Private) Limited (PTTPL). The Company holds 10,222,700 (2023: 10,222,700) ordinary shares of Rs. 10 each. The break-up value per share based on its audited financial statements for the year ended 30 June 2024 was Rs. 13.80 (2023: Rs. 11.21).

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20.3 **City Properties (Private) Limited**

This represents the Company's investment in 100% equity shares of City Properties (Private) Limited (CPPL) against 92,500,100 (2023: 92,500,100) ordinary shares of Rs. 10 each. The break-up value per share based on its audited financial statements for the year ended 30 June 2024 was Rs. 7.36 (2023: Rs. 9.51).

During the year, management of the Company has prepared an assessment of the recoverable amount of the Company's investment in City Properties (Private) Limited (CPPL), consequent to the existence of indicators implying that the carrying amount of investment might be impaired. The indicators mainly resulted from sale of land by CPPL during the year and the Company recovered an amount of Rs. 1.29 billion from this transaction, further, due to re-organization of one of the CPPL's investee Company during the year, the expected cashflows from CPPL's subsidiaries are now envisaged to be lower as compared to previously expected levels. The recoverable amount of CPPL's investment was determined by management of the Company on the basis of expected cashflows that are primarily based on net realizable value of CPPL's development properties and discounted cashflows from CPPL's further investment in a subsidiary Company. The discounted cashflow model is based on expected dividend yield from the subsidiary discounted using a pre-tax risk adjusted discount rate of 20%, whereas, at the end of fifth year, a long term steady growth rate of 4% has been used to compute the terminal value. Based on the expectation of value in use of the Company's investment in CPPL, management has recognized an impairment loss amounting to Rs. 142 million in these unconsolidated financial statements.

20.4 **Elite Properties (Private) Limited**

This represents the Company's investment in 100% equity shares of Elite Properties (Private) Limited (EPPL) against 556,600 (2023: 556,600) ordinary shares of Rs. 10 each. The break-up value per share based on its audited financial statements for the year ended 30 June 2024 was Rs. 1,441 (2023: Rs. 1,421). Also refer note 21.

20.5 **Hashoo Group Limited**

"The Company holds 98,000 (2023: 98,000) ordinary shares of US$ 100 each in Hashoo Group Limited (HGL). HGL is treated as an 'associate' due to the Company's significant influence over it due to common directorship. Due to prevailing political turmoil, unrest, law and order situation in Libya, this Investment has been fully impaired.

This is an equity investment therefore period of investment is not specific, the Company has not received any return from this investment, and during the term of investment no default/breach is made."

Beneficial owner of Hashoo Group Limited are:

Name	Address
Pakistan Services Limited	1st Floor Nespak House Islamabad, Pakistan
Saladale investments INC.	53rd street 16th Floor Panama, the republic of Panama

20.6 **Hotel One (Private) Limited**

The Company holds 500,000 (2023: 500,000) ordinary shares of Rs.100 each in Hotel One (Private) Limited (HOPL). HOPL is treated as an 'associate' due to the Company's significant influence over it due to common directorship. This investment was fully impaired based on prudence, considering the accumulated losses incurred in previous years.

20.7 **Pearl Continental Hotels Limited**

"The Company holds 95 (2023: 95) ordinary shares of US $ 50,000 each in Pearl Continental Hotels Limited - UAE (PCHL - UAE) which represents 50% interest in PCHL - UAE, a jointly controlled entity of the Company and Hashwani Hotels Limited, a related party. Due to economic meltdown in year 2007-08, PCHL - UAE incurred losses and consequently the investment was fully impaired, however, the Company is putting all its efforts to recover the losses.

This is an equity investment therefore period of investment is not specific, the company has not received any return from this investment, and during the term of investment no default/breach is made."

Beneficial owner of Pearl Continental Hotels Limited are:

Name	Address
Pakistan Services Limited	1st Floor Nespak House Islamabad, Pakistan
Hashwani Hotels Limited	Karachi Marriott Hotel, 9 Abdullah Haroon Road, Civil Lines

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21 ADVANCES AGAINST EQUITY INVESTMENT

These represent advances against equity investments of Rs. 731 million (2023: Rs. 731 million) extended by the Company to its wholly owned subsidiary company Elite Properties (Private) Limited.

22 LONG TERM DEPOSITS

	Note	2024	2023
		(Rupees'000)	
Long term deposits	22.1	17,580	19,281
		17,580	19,281

22.1 This includes amount of Rs. Nil (2023: Rs. 0.803 million) of related parties.

23 DEFERRED TAX LIABILITIES / (ASSETS) - NET

	Net balance at 01 July 2023	Impact of change in accounting policy	Recognized in Profit or loss (Note 38)	Recognized in Other comprehensive income	Net balance at 30 June 2024
2024			(Rupees'000)		
Taxable temporary differences					
Accelerated depreciation for tax purposes	**930,376**	**-**	**72,939**	**-**	**1,003,315**
Deductible temporary differences					
Net defined benefit liability - gratuity	(324,854)	-	(52,430)	13,014	(364,270)
Net defined benefit liability - vacation pay	(56,089)	-	(7,137)	-	(63,226)
Provision for obsolescence - stores	(1,450)	-	-	-	(1,450)
Impairment loss on trade debts	(128,599)	-	(30,150)	-	(158,749)
Short term investments	(273)	-	-	-	(273)
Leased liabilities	(119,558)	-	12,954	-	(106,604)
Unadjusted depriciation losses	(491,454)	-	-	-	(491,454)
	(1,122,277)	-	(76,763)	13,014	(1,186,027)
	(191,901)	-	(3,824)	13,014	(182,712)

	Net balance at 01 July 2022	Impact of change in accounting policy	Recognized in Profit or loss (Note 38)	Recognized in Other comprehensive income	Net balance at 30 June 2023
2023			(Rupees'000)		
Taxable temporary differences					
Accelerated depreciation for tax purposes	677,182	-	253,194	-	930,376
Deductible temporary differences					
Long term investments	(35,647)	-	35,647	-	-
Net defined benefit liability - gratuity	(216,816)	-	(110,095)	2,057	(324,854)
Net defined benefit liability - vacation pay	(36,401)	-	(19,688)	-	(56,089)
Provision for obsolescence - stores	(1,096)	-	(354)	-	(1,450)
Impairment loss on trade debts	(135,235)	-	6,636	-	(128,599)
Short term investments	(1,740)	-	1,467	-	(273)
Leased liabilities	(91,070)	-	(28,488)	-	(119,558)
Unadjusted depriciation losses	(446,879)	-	(44,575)	-	(491,454)
	(964,884)	-	(159,450)	2,057	(1,122,277)
	(287,702)	-	93,744	2,057	(191,901)

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24 INVENTORIES

	Note	2024 (Rupees'000)	2023 (Rupees'000)
Stores		248,075	253,352
Spare parts and loose tools		96,683	74,303
Stock in trade - food and beverages	33	195,604	186,720
		540,362	514,375
Write down of inventories to net realizable value		(3,717)	(3,717)
		536,645	510,658

25 TRADE DEBTS -UNSECURED

	Note	2024	2023
Considered good			
Due from related parties	25.1	68,795	26,837
Others		811,179	912,815
		879,974	939,652
Considered doubtful		407,235	329,740
		1,287,209	1,269,392
Provision against doubtful debts at 01 July		(329,740)	(466,327)
(Allowance) / reversal for expected credit loss		(77,495)	136,587
Balance at 30 June	25.2	(407,235)	(329,740)
		879,974	939,652

25.1 Due from related parties

	2024 (Rupees '000)	2023 (Rupees '000)	Maximum amount outstanding at the end of any month during the year 2024 (Rupees '000)	Maximum amount outstanding at the end of any month during the year 2023 (Rupees '000)
Pearl Tours and Travels (Private) Limited	17,000	13,874	13,479	8,310
Hashwani Hotels Limited	-	1,555	-	243
Hashoo Foundation	521	558	459	269
Hashoo Hunar	270	82	303	56
Hotel One (Private) Limited	686	2,346	10,042	7,332
Jubilee General Insurance Company Limited	121	4,536	110	80
Orient Petroleum Inc.	-	147	-	147
Pearl Real Estate Holdings (Private) Limited	208	120	170	110
Foreepay (Private) Limited	74,400	17,191	43,126	9,784
Tejari Pakistan (Private) Limited	933	2,849	477	503
Karakoram security services (Pvt) ltd.	31	-	11	-
Continental Divine Core Developers (Private) Limited	2,515	-	607	-
Zaver Petroleum Corporation Ltd	26	-	-	-
Hashoo School of Hospitality Management (Pvt.) Limited	109	3	12	3
			68,795	26,837

25.1.1 Age analysis of due from related parties is as follows:

	2024	2023
Past due by 30 days	28,025	8,324
Past due by 31 to 90 days	9,267	7,349
Past due over 91 days	27,619	6,339
Past due over 1 year	3,885	4,825
	68,795	26,837

25.2 This includes provision of Rs. 5.91 million (2023: Rs. 5.07 million) against doubtful debts.

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26	ADVANCES, PREPAYMENTS, TRADE DEPOSITS AND OTHER RECEIVABLES	Note	2024	2023
			(Rupees'000)	
	Advance to employees	26.1	3,352	7,109
	Advance to suppliers and contractors		168,423	76,988
	Advance to related parties	26.2	-	1,650
	Trade deposits		33,419	21,431
	Prepayments	26.3	73,543	72,090
	Refundable sales tax		445,390	348,068
	Other receivables	26.4	120,085	130,815
	Refundable against disinvestment		-	1,293,071
			844,212	1,951,222

26.1 These advances are given as per the Company policy and are un-secured, interest free and are repayable over varying periods.

		Note	2024	2023
26.2	**Advance to related parties**		(Rupees'000)	
	OPI Gas (Private) Limited	26.2.1	-	1,650
			-	1,650

26.2.1 The advances to related parties are of trade nature and extended for provision of goods and services. These are unsecured and don`t carry interest.

26.3 This includes amount of Rs. 11.62 million (2023: Rs. 19.69 million) paid to related parties.

26.4 This includes amount of Rs. 4.675 million (2023: 2.26 million) of related party Hashoo School of Hospitality Management (Private) Limited, and it is the maximum amount due at the end of any month during the year.

		Note	2024	2023
27	SHORT TERM INVESTMENTS		(Rupees'000)	
	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)
			-	-
	Amortized cost			
	Term Deposit Receipt	27.1	637,579	637,579
	Term Finance Certificate (TFC)	27.2	75,000	75,000
	Interest accrued		4,663	2,652
			717,242	715,231
	Financial assets at fair value through profit or loss			
	Investments in shares of listed companies	27.3	695,665	420,879
			1,412,907	1,136,110

27.1 This represents term deposit receipts having maturity of one months to one year carrying interest rate ranging from 13.50% to 20% (2023: 6.50% to 14%) per annum.

27.2 This represents investment in 750 number of TFCs having face value of Rs. 100,000/- each and carrying profit @ 3-month KIBOR plus 1.60%, these TFCs are pledged as security against running finance facility of the Company (refer to note 12).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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27.3 **Investments in shares of listed companies**

	2024	2023	2024	2023
	No. of ordinary shares of Rs. 10 each		(Rupees'000)	
Pakistan Telecommunication Company Limited	**350,000**	350,000	**4,204**	2,104
Lotte Chemical Pakistan Limited	**150,000**	150,000	**2,652**	4,128
Fauji Fertilizer Bin Qasim Limited	**50,000**	50,000	**1,774**	589
Jubilee General Insurance Company Limited - (Note 27.3.1)	**15,056,661**	15,056,661	**687,035**	414,058
			695,665	420,879

27.3.1 This is an associated Company and out of total shares held by the Company, 15,000,000 (2023: 15,000,000) ordinary shares are placed / lien marked as security against running finance facility of the Company (refer to note 12).

28 NON-CURRENT ASSETS HELD FOR SALE	Note	2024	2023
		(Rupees'000)	
Property	28.1	-	3,766,242
Under construction Hotel Pearl Continental Multan	28.2	-	5,573,462
	28.3	-	9,339,704

28.1 This represented Company's porperty situated at Civil Line Quarters, Abdullah Haroon Road, Karachi. During the year, it has been disposed off under the restructuring agreements with the company's lenders as a precedent condition (refer note 8). Details of disposal are disclosed in note 28.4.

28.2 During the previous year, management of the Company decided to dispose off this property and entered into negotiations to finalize the sale plan, however due to factors beyond management's control, the disposal could not be made, accordingly, this has been transferred to property, plant and equipment.

28.3 Movement in non-current assets held for sale during year is as follows:

	Note	2024	2023
		(Rupees'000)	
Opening balance		**9,339,704**	7,659,099
Transfer from operating fixed assets	28.1	-	3,766,242
Transfer from operating fixed assets		-	2,105
Additions in		**751,157**	4,205
Transfer to operating fixed assets	28.2	**(363,300)**	
Additions in / (transfer to) capital work in progress	28.2	**(5,961,319)**	1,028,917
		(5,573,462)	4,801,469
Disposals	28.4	**(3,766,242)**	(3,120,864)
		-	9,339,704

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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		2024	2023
28.4	**Disposed asset**	(Rupees'000)	
	Opening	3,766,242	3,114,554
	Addition during the year	-	6,310
	Disposal	(3,766,242)	(3,120,864)
		-	-

28.4.1 **Detail of disposal:**

Description	Cost / revalue amount	Carrying value	Net - proceeds	Gain	Mode of disposal	Purchaser	Relationship with purchaser
	(Rupees'000)						
Land	3,660,000	3,660,000	4,054,975	394,975	Negotiaion	Bank Alfalah Limited	Third party
Building	106,242	106,242	283,024	176,782	Negotiaion	Bank Alfalah Limited	Third party
Total - 2024	**3,766,242**	**3,766,242**	**4,337,999**	**571,757**			
Total - 2023	3,550,934	3,120,864	3,219,220	98,356			

		Note	2024	2023
29	ADVANCE INCOME TAX - NET		(Rupees'000)	
	Balance at 01 July		787,018	541,212
	Income tax (refund) / paid during the year - net		(440,041)	309,838
	Charge for the year	38	51,503	(64,032)
	Balance at 30 June		398,480	787,018

		Note	2024	2023
30	CASH AND BANK BALANCES			
	Cash in hand		72,317	40,005
	Cash at bank			
	Current accounts - Local currency		79,112	123,559
	- Foreign currency		279	286
	Deposit accounts - Local currency	30.1	282,517	175,879
	- Foreign currency	30.2	4,317	14,218
			366,225	313,942
	Accrued profit		1,414	862
			439,956	354,809

30.1 Deposit accounts carry interest rate ranging from 18.5% to 20.5% (2023: 10.75% to 19.50%) per annum.

30.2 Deposit accounts carry interest @ 0.25% (2023: 0.25%) per annum.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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		Note	2024	2023
31	REVENUE- NET		(Rupees'000)	
	Gross revenue	31.1	17,934,423	15,718,075
	Discounts		(449,841)	(338,102)
	Sales tax		(2,439,880)	(2,117,936)
			15,044,702	13,262,037

31.1 Gross revenue

In the following table, revenue from contracts with customers is disaggregated by, major products and service lines, and timing of revenue recognition.

	Note	2024	2023
Major products/service lines		(Rupees'000)	
Rooms		7,419,857	6,358,412
Food and beverages		9,305,712	8,246,216
Other related services	31.2	1,043,699	1,003,194
Fee revenue from franchise & management properties		127,229	75,410
Shop license fees		37,926	34,843
		17,934,423	15,718,075
Timing of revenue recognition			
Products / services transferred at a point in time		7,891,178	7,132,495
Services transferred over time		7,153,524	6,129,542

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

31.3 Revenue amounting to Rs. 422.21 million (2023: Rs. 451.142 million) has been recognized from contract liabilities at the beginning of the year.

31.4 The Company's entire revenue is generated within Pakistan.

		Note	2024	2023
32	CONTRACT BALANCES		(Rupees'000)	
	Contract assets	32.1	46,156	20,620
	Contract liabilities	32.2	974,760	795,235

32.1 Contract assets primarily relate to the Company's rights to consideration for goods and services provided to the customers but not billed at the reporting date. Contract assets are transferred to trade debts when invoice is raised. Opening balance of contract asset is fully transferred to trade debts during the period.

32.2 Contract liabilities represent the Company's obligation to transfer goods or services for which the customer has already paid a consideration. These contract liabilities mainly relates to the advances received against banquets functions, room sales and membership fee. The Company applies the practical expedient in paragraph 121 of IFRS - 15 and does not disclose information about the remaining performance obligations that have original expected duration of one year or less.

32.2.1 Contract liabilities include an amount of Rs. 29,916 thousand (2023: Rs. 12,190 thousands) received from related party on account of future reservations made on behalf of customers.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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33 COST OF SALES AND SERVICES	Note	2024 (Rupees'000)	2023 (Rupees'000)
Food and beverages			
Opening balance		186,720	150,527
Purchases during the year		2,642,979	2,565,741
Closing balance	24	(195,604)	(186,720)
Consumption during the year		2,634,095	2,529,548
Direct expenses			
Salaries, wages and benefits	33.1	2,418,561	2,162,197
Heat, light and power		1,723,159	1,472,386
Repair and maintenance		569,668	469,029
Depreciation	16.1.6	735,758	720,460
Amortization		21,550	29,198
Guest supplies		374,794	290,746
Linen, china and glassware		185,313	147,787
Communication		13,891	11,749
Laundry and dry cleaning		92,788	76,115
Banquet and decoration		76,838	75,114
Transportation		66,374	42,060
Uniforms		24,589	23,438
Music and entertainment		19,955	18,219
Contract costs	33.2	163,690	163,800
Others		530	3,502
		9,121,553	8,235,348

33.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 185.95 million (2023: Rs. 142.12 million).

33.2 This represents incremental costs of obtaining customer contracts.

34 OTHER INCOME	2024 (Rupees'000)	2023 (Rupees'000)
Concessions and commissions	3,270	3,295
Gain on disposal of property, plant and equipment	23,195	37,090
Decrease in fair value of investment property	(8,000)	-
Gain on disposal of non-current assets held for sale	571,757	98,356
Impact of long term room allocation advances	22,829	77,085
Gain on modification of loan term	25,056	82,138
Communication towers and other rental income	74,554	82,910
Insurance claim	-	2,319
Others - net	151,101	84,227
	863,762	467,420

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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35 ADMINISTRATIVE EXPENSES	Note	2024	2023
		(Rupees'000)	
Salaries, wages and benefits	35.1	2,001,052	1,782,862
Rent, rates and taxes	9.4	171,904	348,910
Security and protective services		404,681	349,791
Advertisement and sales promotion		178,615	195,785
Repair and maintenance		77,200	55,373
Heat, light and power		206,424	180,363
Travelling and conveyance		230,853	217,508
Depreciation	16.1.6	176,252	165,525
Amortization		2,394	3,244
Communications		21,966	25,040
Printing and stationery		64,429	54,650
Legal and professional charges		150,681	139,854
Insurance		128,141	104,464
Entertainment		41,356	25,307
Subscriptions		173,173	143,907
Laundry and dry cleaning		6,945	5,189
Uniforms		8,861	4,762
Auditors' remuneration	35.2	7,143	6,610
Vehicle rentals and registration charges	35.3	2,111	10,107
Miscellaneous		26,066	30,587
		4,080,247	3,849,838

35.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 128.95 million (2023 Rs. 123.89 million).

35.2 Auditors' remuneration	2024	2023
	(Rupees'000)	
Audit services		
Annual audit fee	3,013	2,904
Audit of consolidated financial statements	863	832
Half yearly review	1,120	900
Out of pocket expenses	1,190	876
	6,186	5,512
Non-audit services		
Special reports and certificates in capacity of statutory auditor	597	485
Tax advisory	360	613
	957	1,098
	7,143	6,610

35.3 This represents Ijarah payments made during the year under an Ijarah (lease) agreement. As required under IFAS 2 " Ijarah" (notified through SRO 431 (I) / 2007 by Securities & Exchange Commission of Pakistan). Ijarah payments under an Ijarah (lease) agreement are recognised as an expense in the profit or loss account on straight line basis over the term of Ijarah.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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The maturity analysis of remaining Ijarah facility is as follows:	2024	2023
	(Rupees'000)	
Within one year	-	752
After one year but not more than five years	-	-
	-	752

36 FINANCE INCOME

	2024	2023
Interest income on:		
Term Deposit Receipt	120,092	134,696
Term Finance Certificate	17,735	14,232
Bank deposits	55,312	48,581
Dividend income	75,558	61,427
Exchange gain	2,450	7,031
	271,147	265,967

37 FINANCE COST

	2024	2023
Interest expense on:		
Loans and borrowing	875,297	675,046
Short term borrowings	402,425	359,018
Sukuk finance	937,282	686,903
Lease facilities	37,114	40,369
Amortization of transaction cost	14,475	9,369
Amortization of deferred payment	4,443	42,644
Amortization of long term room allocation advances	35,855	11,437
Credit cards, bank and other charges	156,938	99,891
	2,463,829	1,924,677

38 INCOME TAX

	Note	2024	Restated 2023
		(Rupees'000)	
Current tax			
- Current year	38.1	21,901	80,201
- Prior year		(73,404)	(16,169)
		(51,503)	64,032
Deferred tax charge	23	(3,824)	93,744
		(55,327)	157,776

38.1 Reconciliation of tax charge as per tax laws with current tax

	Note	2024	2023
Current tax liability for the year as per applicable tax laws		227,564	208,475
Portion of current tax liability as per tax laws, representing income tax under IAS 12		21,901	80,201
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	38.2	205,663	128,274
		227,564	208,475
		-	-

38.2 This represents portion of minimum tax paid under section – 113 & 153 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. This also includes reversal of prior year levy amounting to Rs. 6.5 million.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

38.3 Reconciliation of accounting profit with income tax expense is as follows:

	2024	Restated 2023
	(Rupees'000)	
Accounting profit for the year	569,273	67,774
Tax charge @ 29% (2023: 29%)	165,089	19,654
Effect of super tax	-	7,575
Tax credit	(10,524)	(2,237)
Permanent difference	(38,496)	55,089
Unrealized gain / (loss)	(79,688)	15,768
Adjusted tax losses	(9,513)	44,575
Tax effect of income subject to lower taxation	(10,578)	(8,600)
Effect of tax rate not adjusted in deferred tax	981	24,037
Prior year tax charge	(73,404)	(16,169)
Others	806	18,084
	(55,327)	157,776

38.4 Due to uncertainty about timing of taxable profits in the foreseeable future, the Company has not recognized deferred tax asset on taxable loss amounting to Rs. 3.46 million (2023: Rs. 12.96 million) on account of unabsorbed depreciation losses of AJK operations and impairment on investment in subsidiary recognized during the year amounting to Rs. 55.38 million (2023: nil).

38.5 **Tax related contingencies**

Income tax

i The income tax assessments of the Company have been finalised and returns have been filed up to and including the tax year 2023. However, for the assessment year 1999-2000, an appeal is pending with the Appellate Tribunal, Inland Revenue. In case of adverse decision of the appeal, the tax liability of Rs. 73.165 million (2023: Rs. 73.165 million) may arise against the Company for which no provision has been recognised by the Company. These comprise of disallowances of certain expenses and arbitrary additions to the income of the Company. Based on appellate history and merits, the Company is confident of a favourable outcome of the appeal. Therefore, the Company considers that provision against this tax liability is not required.

ii In June 2020, the taxation officer amended the assessment for the tax year 2014 by disallowing various expenses and raising tax demand of Rs. 1,400 million. On appeal filed by the Company against the assessment order before the Commissioner Inland Revenue (Appeals-II) Karachi [CIR(A)]. The case was remanded back for reassessment by the CIRA upon which the deputy Commissioner of Inland Revenue initiated appeal effect proceedings and passed the appeal effect order dated 26 May 2023 creating demand of Rs. 35.19 million.The Company has filed the appeal before CIRA against the appeal effect order dated 26 May 2023. The CIRA has passed order partially confirming the order of tax officer with respect to the credit claimed under Section 65B of the Ordinance. The Company has filed the appeal before Tribunal against the Order of CIRA with respect to the credit claimed by the Company under Section 65B of the Ordinance, however based on the appellate history and merits, the Company is confident of favourable outcome of the case and hence a provision on this matter has not been recognized.

iii In June 2023, the taxation officer passed an order under Section 4C of the Ordinance for the tax year 2020 creating tax demand of Rs. 42.38 million. The Company file the appeal before CIRA against the amendment in assessment order dated 26 June 2023.The CIRA confirmed the order of taxation officer. Being aggreived Company has filed an appeal to tribunal.

iv. In May 2023, the taxation officer amended the assessment for the tax year 2017 by various disallowances and creating tax demand of Rs. 6,979,082, The Company file the appeal before CIRA against the amendment in assessment order dated 27 June 2023. The CIRA passed the order partially confirming the order of tax officer with respect to the credit claimed under Section 65B of the Ordinance. The Company has filed the appeal before Tribunal against the Order of CIRA with respect to the credit claimed by the Company under Section 65B of the Ordinance. The Company anticipates favourable outcome of the case based on the legal and factual position on the matter.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Sales tax

i. Sales Tax Collectorate, Lahore created the sales tax liability amounting to Rs. 9.571 million· on the basis of audit proceedings for the year 1997-98 that the Company provided out door catering to PIA without payment of sales tax. The Additional Collector disposed off the above referred audit observations. The department filed appeal before the Appellate Tribunal Inland Revenue (ATIR).The ATIR set aside order of Additional Collector through order no. 1394/LB/09 dated 13 May 2011. The Company filed reference application no. 128/2011 before the Honourable Lahore High Court dated 12 September 2011 against the order passed by ATIR and hence a provision on this matter has not been recognized.

ii. The Additional Collector, Lahore disallowed the input tax relating to purchase of certain items amounting to Rs. 7.22 million during the period of October 2000 and June 2002 on the basis of section 8(1) of the Sales Tax Act, 1990 read with SRO 578(1)/98 dated 12 June 1998. The Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR), while the ATIR upheld the order of Additional Collector, Lahore. The Company filed reference application before the Lahore High Court on 24 September 2011 against the order passed by ATIR and hence a provision on this matter has not been recognized.

iii. The Deputy Commissioner, Punjab Revenue Authority, Lahore [PRA] issued notices having references No.PRA/PC/Hotel/14/32972 on 05 November 2014 and No.PRA/PC/Hotel/14/32985 on 12 November 2014 for the tax period August 2014 and tax periods from July 2012 to September 2014 respectively. Through notice dated 05 November 2014 it has been alleged that the Company claimed inadmissible input tax adjustment on construction material amounting to Rs 21.15 million. Through notice dated 12 November 2014, the Deputy Commissioner, Punjab Revenue Authority, Lahore initiated the inquiry/investigation against the Company for the period from July 2012 to September 2014. The Company filed Writ Petition 30844/2014 before Lahore High Court which is pending adjudication and hence a provision on this matter has not been recognized.

iv. The Enforcement officer passed an order dated 30 April 2021 alleging that the Company claimed inadmissible input tax of Rs. 2,079,081/- during the tax periods October 2013 to June 2015 and raised a demand of Rs. 2,079,081/- along with penalty of Rs. 103,954/-. The Company aggrieved by the order filed an appeal before the Commissioner Appeals, PRA which is pending disposal till date.

v. The Assistant Commissioner Sindh Revenue Board (AC-SRB), passed an order on 15 March 2022 alleging that the Company claimed inadmissible input tax of Rs. 112,789,782 during the tax periods July 2013 to June 2020 and raised a demand of Rs. 112,789,782 along with penalty of Rs. 5,639,489/-. The Company aggrieved by the order filed an appeal before the Commissioner Appeals, SRB which is pending disposal till date.

vi. Show cause notice issued by Deputy Collector, KPRA, requiring the Company to show-cause as to why reduced rate input aggregating to Rs. 12,119,072 pertaining to tax periods May 2018 to August 2022 may not be recovered. The Company filed the response accompanying the requisite information / details / record. However, the assessing officer concluded the proceedings and created a demand of Rs. 10,707,526 adjudicated vide Order No. 101/2023 dated December 16, 2023. The Company has filed the appeal before CIRA against the assessment order.

38.5.1 Legal contingencies

i. Third party contractors staff has filed a case in Labour Court Peshawar which was later on transferred to Labour Court Mardan and the said court decided in favour of the employees on 13.07.09. Company got a stay order against the decision of the Labour Court Mardan from High Court Peshawar. Subsequently the said case were transferred to the NIRC and full bench of NIRC has dismissed the petition with the order that the Defendant are entitled to claim the benefits of permanent employees with effect from 1993. Against the said order Company has filed petition before the Peshawar High Court. The Honourable High Court suspended the order of the Full Bench of NIRC Islamabad.

ii. An employee was dismissed in account of embezzlement and concealing facts. He has approached to NIRC for reinstatement of services. The Company filed application challenging the jurisdiction which was dismissed and adjourned the case for filing of reply.

iii. Subsequent to the year end, one of the Sukuk participants has served a legal notice of default to the Company and its directors, requiring settlement of its entire share of outstanding principal and mark-up, else legal proceedings against the Company and its directors will be initiated. The Company also received intimation from another lender to remedy the default in Sukuk. The Company has responded to the legal notice and has approached Sindh High Court contesting the validity of legal notice of default and obtained a stay order against any adverse proceedings against the Company and its directors. Management of the Company based on legal advice believes that the Sukuk participant does not have legal right to payment unilaterally under the terms of financing arrangement and it is required to repay the outstanding amounts as per borrowing agreements repayment schedules and it is unlikely that this demand can be enforced. Notwithstanding, the entire Sukuk obligation has been classified as a current liability in these unconsolidated financial statements.

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39 EARNINGS / (LOSS) PER SHARE

	2024	2023
Profit / (loss) for the year (Rupees '000)	425,464	(218,276)
Weighted average number of ordinary shares (Numbers)	32,524,170	32,524,170
Earnings / (loss) per share - basic (Rupees)	13.08	(6.71)

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

40 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES

	Note	2024	Restated 2023
		(Rupees'000)	
Profit / (loss) before taxation		370,132	(60,500)
Adjustments for:			
Depreciation	16.1.6	912,010	885,985
Amortization		23,944	32,442
Gain on disposal of property, plant and equipment	33	(23,195)	(37,090)
Gain on disposal of held for sale asset		(571,757)	(98,356)
Provision for staff retirement benefit - gratuity	10.1.3	196,933	153,977
Provision for compensated leave absences	10.2.3	47,084	49,550
(Allowance) / reversal for expected credit loss		77,495	(136,587)
Unrealised loss on remeasurement of investment property	34	8,000	-
Return on bank deposits / certificate of investment	36	(193,139)	(197,509)
Finance cost	37	2,463,829	1,924,677
Dividend income	36	(75,558)	(61,427)
Minimum and final tax		199,136	128,274
Unrealised loss on remeasurement of investments to fair value		(274,786)	54,374
Unrealized gain of rooms allocation on long term basis		(22,829)	(77,085)
Impairment of investment in subsidiary		142,000	-
Provision on stores, spare parts and loose tools		-	(64)
		3,279,304	2,560,661

41 CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and bank balances	30	439,956	354,809
Short term borrowings	12	(1,865,227)	(1,613,027)
Accrued markup on short term borrowings		99,473	81,404
Accrued profit on bank deposits		(1,414)	(862)
		(1,327,212)	(1,177,676)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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41.1 **Reconciliation of movements of liabilities to cash flows arising from financing activities:**

	Loans and borrowings	Lease Liabilities	Other liabilities	Total
		(Rupees'000)		
Balance at 01 July 2023	12,133,372	306,558	141,960	12,581,889
Changes from financing activities				
Proceeds from loans	-	-	-	-
Allocation of rooms on long term basis	-	-	75,298	75,298
Repayment of loan	(3,578,620)	-	-	(3,578,620)
Repayment of lease liability	-	(81,110)	-	(81,110)
Transaction cost paid	-	-	-	-
	(3,578,620)	(81,110)	75,298	(3,584,432)
Other changes				
Amortization of transaction cost	14,475	-	-	14,475
Amortization of gain recorded upon restructuring of loan	1,863	-	-	1,863
Recogninition of contract liability for complimentary nights	-	-	(8,787)	(8,787)
Gain on initial recongnition on long term room allocation advances	-	-	(22,829)	(22,829)
Amortization of long term room allocation of advances	-	-	35,855	35,855
Markup accrued	(321,644)	-	-	(321,644)
Lease liabilities	-	47,895	-	47,895
	(305,307)	47,895	4,239	(253,172)
Balance at 30 June 2024	8,249,445	273,343	221,497	8,744,285

	Loans and borrowings	Lease Liabilities	Other liabilities	Total
		(Rupees'000)		
Balance at 01 July 2022	13,344,613	314,037	-	13,658,650
Changes from financing activities				
Proceeds from loans	351,050	-	-	351,050
Allocation of rooms on long term basis	-	-	215,509	215,509
Repayment of loan	(1,704,652)	-	-	(1,704,652)
Repayment of lease liabilities	-	(90,079)	-	(90,079)
Transaction cost paid	(15,000)	-	-	(15,000)
	(1,368,602)	(90,079)	215,509	(1,243,172)
Other changes				
Amortization of transaction cost	9,369	-	-	9,369
Markup accrued	151,967	-	-	151,967
Gain recorded upon restructuring of long term loan	(3,976)	-	-	(3,976)
Recogninition of contract liability for complimentary nights	-	-	(7,901)	(7,901)
Gain on initial recongnition on long term room allocation advances	-	-	(77,085)	(77,085)
Amortization of long term room allocation of advances	-	-	11,437	11,437
Lease liabilities	-	82,600	-	82,600
	157,360	82,600	(73,549)	166,411
Balance at 30 June 2023	12,133,372	306,558	141,960	12,581,889

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42 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Directors	Executives	Chief Executives Officer	Directors	Executives
	Rupees '000					
* Managerial remuneration	139,336	293,347	564,153	144,000	225,408	474,721
Provident fund contribution	6,308	2,377	16,766	7,996	1,199	12,108
Provision for gratuity	9,364	29,077	196	11,836	23,170	929
Provision for compensated leave absences	-	-	29,964	12,000	-	25,775
Provision for bonus	18,937	5,063	3,245	24,000	-	346
Provision for leave fare assistance	3,165	846	472	3,993	-	57
Other services	-	21,465	-	-	20,748	-
** Meeting fee	300	1,700	500	250	2,600	700
	177,410	353,875	615,296	204,075	273,125	514,637
Number of persons	1*	8	104	1	7	107

* During the year CEO of the comnay has resgined and Board elected a new CEO , hence this amount includes remuneration of outgoing and new elected CEO.

** This represents meeting fee of Rs. 1.3 (2023: Rs. 1.9) million of certain non executive directors of the Company.

42.1 In addition to the above, vehicle allowance of Rs. 100.84 million has been paid to certain Directors and executives. The Chief Executive Officer, and certain executives are provided with the Company maintained vehicles having carrying value of Rs.35.71 million (2023: Rs. 23.56 million). Accommodation maintenance is also provided to Chief Executive Officer. Certain directors and executives are also provided with medical expenses and company maintained accommodation, as per the Company's policy.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

43 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 related parties (with whom the Company has transacted or arrangement in place) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Basis of Relationship	Name of Related Party	Percentage of Share holding
Wholly owned Subsidiary	City Properties (Private) Limited	100%
	Elite Properties (Private) Limited	100%
	Pearl Tours & Travels (Private) Limited	100%
	Pearl Continental Hotels (Private) Limited	100%
Common directorship	Hashwani Hotels Limited	-
	Hotel One (Private) Limited	17.85%
	Continental Divine Core	-
	Jubilee General Insurance Company Limited	7.6%
	Orient Petroleum Inc.	-
	OPI Gas (Private) Limited	-
	Pearl Real Estate Holdings (Private) Limited	-
	Shine Plus (Pvt) Ltd.	-
	Hashoo (Private) Limited	-
	Tejari Pakistan (Private) Limited	-
	Organiks Plus (Private) Limited	-
	Hashoo Hunar (Pvt) Ltd	-
	Foree pay (Pvt) Ltd.	-
	Hashoo School of Hospitality Management (Pvt.) Limited	-
Directors	Mr. Sadruddin Hashwani	-
	Mr. Murtaza Hashwani	-
	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 Ahmad Ranjha	-
Key management personnel	Chief Executive Officer	-
	Chief Financial Officer	-
	Company Secretary	-
Directors as Board of trustees	Hashoo Foundation	-
Significant influence of relative of Director	Nirvana, a partnership firm	-
Close family member of Directors	Ms. Sarah Hashwani	-
	Ms. Nadia Lakhani	-
	Ms. Shazia Hashwani	-
	Genesis Trading (Private) Limited	-
Significant influence	Karakoram Security Services (Private) Limited	-
	Foree pay (Pvt) Ltd.	-
Staff retirement fund	PSL Employees Provident Fund Trust	-

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	Note	2024	2023
		(Rupees'000)	
Transactions with wholly owned subsidiary companies			
Sales		4,815	3,681
Services provided		23,259	14,844
Services availed		144,951	124,723
Advance against equity extended		-	150,000
Refund of advance against equity		1,293,071	-
Transactions with associated undertakings			
Sales		2,272	2,344
Services provided		8,724	12,534
Services availed		665,087	553,997
Purchases		143,351	220,432
Franchise fee - income		7,400	5,340
Dividend income		75,283	60,227
Purchase of assets		-	33,072
Sale of assets		-	10,241
Transactions with other related parties			
Sales		310	325
Services provided		1,715	81
Services availed		46,324	40,237
Contribution to defined contribution plan - provident fund		72,090	62,165
Transactions with key management personnel			
Remuneration and allowances including staff retirement benefits	43.1	576,595	508,976
Sale of vehicle (proceeds)		3,155	-

43.1 **Compensation to key management personnel**

	2024	2023
Salaries and other benefits	475,707	399,236
Contribution to provident fund	9,858	10,186
Gratuity	38,441	35,006
Bonus	24,000	24,000
Meeting fee	2,500	3,550
Other services	21,465	20,748
Others	4,624	16,250
	576,595	508,976
Number of persons	7	6

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

44.1 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							
		Financial Assets		Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
30 June 2024		Fair value through profit or loss	Amortized cost						
Financial assets measured at fair value									
Short term investments	27	695,665	-	-	695,665	695,665	-	-	695,665
Financial assets not measured at fair value	44.2								
Long term deposits	22	17,580	-	-	17,580	-	-	-	-
Trade deposits	26	33,419	-	-	33,419	-	-	-	-
Trade debts	25	-	879,974	-	879,974	-	-	-	-
Contract assets	32	-	46,156	-	46,156	-	-	-	-
Advance to employees	26	-	3,352	-	3,352	-	-	-	-
Other receivables	26	-	120,085	-	120,085	-	-	-	-
Short term investments	27	-	717,242	-	717,242	-	-	-	-
Bank balances	30	-	367,639	-	367,639	-	-	-	-
		50,999	2,134,448	-	2,185,447	-	-	-	-
Financial liabilities not measured at fair value	44.2								
Loans and borrowings	8	-	-	8,267,681	8,267,681	-	-	-	-
Other liabilities	11	-	-	221,498	221,498	-	-	-	-
Short term borrowings	12	-	-	1,865,227	1,865,227	-	-	-	-
Lease liabilities	9	-	-	273,343	273,343	-	-	-	-
Trade and other payables	44.3	-	-	3,293,299	3,293,299	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend	14	-	-	1,528	1,528	-	-	-	-
		-	-	13,931,818	13,931,818	-	-	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Carrying amount				Fair value			
		Amount in Rs'000							
		Financial Assets		Financial	Total	Level 1	Level 2	Level 3	Total
30 June 2023		Fair value through profit or loss	Amortized cost	liabilities at amortized cost					
Financial assets measured at fair value									
Short term investment	27	420,879	-	-	420,879	420,879	-		420,879
		420,879	-	-	420,879	420,879	-	-	420,879
Financial assets not measured at fair value	44.2								
Long term deposits	22	19,281	-	-	19,281	-	-	-	-
Trade deposits	26	21,431	-	-	21,431	-	-	-	-
Trade debts	25	-	939,652	-	939,652	-	-	-	-
Contract assets	32	-	20,620	-	20,620	-	-	-	-
Advance to employees	26	-	7,109	-	7,109	-	-	-	-
Other receivables	26	-	1,423,886	-	1,423,886	-	-	-	-
Short term investments		-	715,231	-	715,231	-	-	-	-
Bank balances	30	-	314,804	-	314,804	-	-	-	-
		40,712	3,421,302	-	3,462,014	-	-	-	-
Financial liabilities not measured at fair value	44.2								
Loans and borrowings	8	-	-	12,166,083	12,166,083	-	-	-	-
Other liabilities	11	-	-	141,960	141,960	-	-	-	-
Short term borrowings	12	-	-	1,613,027	1,613,027	-	-	-	-
Lease liabilities	9	-	-	306,558	306,558	-	-	-	-
Trade and other payables	44.3	-	-	3,014,682	3,014,682	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend	14	-	-	1,528	1,528	-	-	-	-
		-	-	17,253,080	17,253,080	-	-	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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44.2 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.

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

Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk (note 44.4)
- Liquidity risk (note 44.5)
- Market risk (note 44.6)

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

44.4 **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade debts from customers.

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

Expected credit losses on financial assets and contract assets recognised in unconsolidated profit or loss were as follows.

	2024	2023
	(Rupees '000)	
Expected credit losses / (reversals) on trade debts and contract assets arising from contract with customers	77,495	(136,587)

i **Trade debts and contract assets**

The Company's exposure to credit risk is influenced mainly by the individual's characteristics of each customer. However, management also considers the factors that may influence the credit risk of customer base, including the default risk associated with the industry and the region in which the customers operate. Detail of concentration of revenue are included in note 31.1.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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The risk management committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Credit limits are established for each customer and are reviewed regularly. Any sales exceeding those limits require approval from appropriate management level.

The Company limits its exposure to credit risk from trade debts by establishing a maximum payment period for each corporate customer based on the management assessment of risk.

Maximum of the Company's customers have been transacting with the Company for many years and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographical location, industry, trading history with the Company and existence of previous financial difficulties.

At reporting date, the exposure to credit risk for trade debts and contract assets by geographical regions was as follows.

	2024		2023	
	Trade debts	Contract assets	Trade debts	Contract assets
	(Rupees '000)		(Rupees '000)	
Pearl Continental Hotel				
- Karachi	323,933	19,387	290,073	8,094
- Lahore	466,519	9,595	438,148	2,396
- Rawalpindi	143,666	12,065	123,785	2,814
- Peshawar	75,261	-	82,189	-
- Bhurban	137,617	4,532	218,768	6,184
- Muzaffarabad	22,741	267	42,278	1,125
Destinations of the World- Pakistan	30,946	-	43,260	8
- Hunza	13,450	310	526	-
-Head Office	73,074	-	30,365	-
	1,287,209	46,156	1,269,392	20,620

At reporting date, the exposure to credit risk for trade debts and contracts assets by type of counterparty was as follows;

	Note	2024	2023
		(Rupees'000)	
From related parties		68,795	26,837
From government institutions		45,792	39,371
Others		1,218,777	1,223,804
	25 & 32	1,333,365	1,290,012

A summary of the Company's exposure to credit risk for trade debts is as follows.

	2024	2023
Customers with external credit rating of A1+ to A3	112,940	24,151
Customers without external credit rating	1,174,269	1,245,241
Total gross carrying amount	1,287,209	1,269,392
Allowance for expected credit losses	(407,235)	(329,740)
	879,974	939,652

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Expected credit loss assessment for corporate customers

The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projection and available press information about customers) and applying experienced credit judgment. Credit risk are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definition from agencies (Rating agencies Pakistan Credit Rating Agency (PACRA) and JCR - VIS.

Exposure within each credit risk are segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the trade debts.

Scalar factors are based on GDP , Consumer Price Index which are as follows.

Years	GDP rate	Consumer price index
2024	2.0	24.8
2023	(0.2)	29.2
2022	6.2	12.1
2021	5.8	8.9
2020	(0.9)	10.7

The Company uses an allowance matrix to measure the ECLs of trade debts from corporate customers, which comprises a very large number of small balances.

Loss rates are calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. Roll rates are calculated separately for exposure in different segments based on following common characteristics - geographic region and age of customer relationship.

The following table provides information about the exposure to credit risk and ECL for trade debts and contract assets for corporate customers.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	(Rupees' 000)		
30 June 2024				
Current	1.6%	442,895	7,051	No
0-30 days past due	2.8%	220,503	6,250	No
30-60 days past due	4.9%	120,700	5,888	No
60-90 days past due	11.6%	32,450	3,769	No
Above 90 days	74.4%	516,818	384,276	No
		1,333,365	407,235	
30 June 2023				
Current	7.7%	370,846	28,504	No
0-30 days past due	13.7%	226,075	31,063	No
30-60 days past due	24.8%	107,486	26,658	No
60-90 days past due	45.2%	28,317	12,795	No
Above 90 days	41.4%	557,288	230,720	No
		1,290,012	329,740	

Movement in the allowance for expected credit losses in respect of trade debts and contract assets

The movement in the allowance for expected credit losses in respect of trade debts and contract assets during the year was as follows.

	2024	2023
	(Rupees' 000)	
Balance at 01 July	329,740	466,327
Remeasurement of loss allowance	77,495	(136,587)
Balance as at 30 June	407,235	329,740

ii **Other receivables**

The Company has other receivables of Rs. 258.09 million as at 30 June 2024 (2023: Rs. 174.31 million).

Impairment on other receivables have been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its other receivables have low credit risk.

iii **Short term investments**

The Company held short term investments of Rs. 717.24 million as at 30 June 2024 (2023: Rs. 715.23 million). These short term investments are held with the banks which are rated A1+ based on PACRA and JCR - VIS ratings.

Impairment on short term investments has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its short term investments have low credit risk based on external credit rating of the counterparties.

iv **Cash at bank**

The Company held cash at bank of Rs. 367.63 million as at 30 June 2024 (2023: Rs. 314.80 million). These balances are held with the banks which are rated A1+ to A-2 based on PACRA and JCR - VIS ratings.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Impairment on cash at bank has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its cash at bank have low credit risk based on external credit rating of the counterparties.

44.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, prudent fund management practices and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	Note	Carrying amount	Contractual cash flows	Maturity up to one year	Maturity after one year and up to five years
		(Rupees' 000)			
2024					
Loans and borrowings*	8	8,267,681	10,416,544	5,248,014	5,168,530
Other liabilities	11	221,498	77,669	11,246	66,423
Trade and other payables	44.3	3,293,299	3,293,299	3,293,299	-
Short term borrowings	12	1,865,227	1,865,227	1,865,227	-
Lease liabilities		273,343	672,476	126,702	545,774
Unclaimed dividend		9,242	9,242	9,242	-
Unpaid dividend		1,528	1,528	1,528	-
		13,931,818	16,335,985	10,555,258	5,780,727
2023					
Loans and borrowings	8	12,166,083	16,899,269	13,013,838	3,885,431
Other liabilities	11	141,960	530,091	-	39,840
Trade and other payables	44.3	3,014,682	3,014,682	3,014,682	-
Short term borrowings	12	1,613,027	1,613,027	1,613,027	-
Lease liabilities		306,558	719,092	133,616	585,476
Unclaimed dividend		9,242	9,242	9,242	-
Unpaid dividend		1,528	1,528	1,528	-
		17,253,080	22,786,931	17,785,933	4,510,747

*As explained in note 8, due to non-payment/breach of loan covenants, these borrowings have been classified as a current liability. The Company plans to mitigate the liquidity risk due to these non-compliances as per the explanation given in note 2.3, however, for the purposes of this note the contractual cashflows have been presented as if the repayments continue as per loan agreements after the reporting date.

The contractual cash flows relating to long and short term borrowings have been determined on the basis of expected mark up rates. The mark up rates have been disclosed in note 8 and 11 to this unconsolidated financial statements.

44.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rates only.

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Foreign currency risk

The PKR is the functional currency of the Company and, as a result, currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically revalued to PKR equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

Exposure to forex risk on year end monetary balances:

	2024		2023	
	(Rupees'000)	USD' 000	(Rupees' 000)	USD' 000
Bank balance	4,596	16.52	14,504	50.38

The following significant exchange rate applied during the year:

	Average rates		Balance sheet date rate	
	2024	2023	2024	2023
PKR/ US Dollars	282.55	248.23	278.04	287.90

Foreign currency sensitivity analysis

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of USD applied to assets at reporting date represented in foreign currency, with all other variables held constant, of the Company's profit before tax.

	2024	2023
	(Rupees'000)	
Increase in 5% USD rate	(227)	(725)
Decrease in 5% USD rate	227	725

Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company has long term and short term Pakistan Rupees based loans and borrowing arrangements at variable rates. The local currency loans and borrowings have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Exposure to interest rate risk:

	2024	2023	2024	2023
	Effective interest rates %		(Rupees' 000)	
Variable rate instruments				
Financial assets	0.25 to 20.50	0.25 to 19.50	286,834	190,097
Variable rate instruments				
Financial liabilities	KIBOR +	KIBOR +	(10,156,132)	(13,795,971)
	0.6 to 1.5	0.6 to 1.5	(10,156,132)	(13,795,971)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity / profit and loss by Rs. 98.29 million (2023: Rs. 136.24 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

Other market price risk

The primary goal of the Company's investment strategy is to maximize investment returns on surplus funds. The Company adopts a policy of ensuring to minimize its price risk by investing in securities having sound market performance. Certain investments are designated at fair value through profit and loss. because their performance is actively monitored and these are managed on a fair value basis. Equity price risk arises from investments at fair value through profit and loss.

Sensitivity analysis – equity price risk

The Company is exposed to equity price risk, which arises from investments measured at fair value through profit or loss.. All of the company's investment through profit or loss are in quoted investments, a Rs. 1 increase in market price at reporting date would have increased profit or loss by Rs. 15.61 million (2023: Rs. 15.61 million) ; an equal change in the opposite direction would have decreased profit or loss by the same amount. The analysis is performed on the same basis for 2023 and assumes that all other variables remain the same.

	Level 1	Level 2	Level 3
Assets carried at fair value		(Rupees '000)	
2024			
Financial assets at fair value through profit or loss	695,665	-	-
2023			
Financial assets at fair value through profit or loss	420,879	-	-

The carrying value of financial assets and liabilities reflected in unconsolidated financial statements approximate their respective fair values.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

45 APPLICATION OF IFRIC INTERPRETATION 12 - SERVICE CONCESSION ARRANGEMENTS

Securities and Exchange Commission of Pakistan through its S.R.O. NO 24 (I)/2012, dated 16 January 2012 has exempted the application of IFRIC 12 - "Service Concession Arrangements", for Companies in Pakistan. Consequently, the Company is not required to account for its arrangement under Build, Operate and Transfer agreement with City District Government Karachi for developing and operating an underground parking facility in Karachi under IFRIC 12. If the Company were to follow IFRIC 12, the effect on the unconsolidated financial statements would have been as follows:

	2024	2023
	(Rupees'000)	
(Decrease)/ increase in profit after tax for the year	**(3,064)**	**(1,546)**
Derecognition of property, plant and equipment	**(117,331)**	**(130,793)**
Recognition of intangible asset	**289,189**	**306,210**
Recognition of financial liability	**(26,578)**	**(27,064)**
Unappropriated profits	**99,796**	**102,860**

46 CAPACITY

	No. of rooms 2024	No. of rooms 2023	Average occupancy 2024 %	Average occupancy 2023 %
Pearl Continental Hotel				
- Karachi	**288**	288	**73**	65
- Lahore	**607**	607	**53**	48
- Rawalpindi	**200**	200	**76**	62
- Bhurban	**197**	197	**63**	56
- Muzaffarabad	**102**	102	**33**	38

47 OPERATING SEGMENTS

The type of services and products offered by the hotel properties are similar in nature along with their economic characteristics and regulatory environment, hence segment reporting is not considered under the aggregation criterion specified in IFRS - 8.

48 NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the year end	**1,704**	1,660
Average number of employees during the year	**1,743**	1,777

49 EMPLOYEES' PROVIDENT FUND

All the investments out of provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

50 RESTATEMENT IN UNCONSOLIDATED FINANCIAL STATEMENTS

50.1 The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum taxes and certain final taxes paid should be classified as 'levies' and not income tax in the unconsolidated statement of profit or loss. Since, the impact of the said changes is material, per the above said guidance issued by ICAP and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively.

Accordingly, the Company has restated its comparative information presented in the unconsolidated statement of profit or loss by reclassifying levies amounting to Rs. 128,273,862 from 'Income tax' to 'Minimum and final tax'. In the unconsolidated statement of cash flows, the income tax paid under the 'operating activities' has been reduced by Rs. 128,273,862 corresponding to an increase to minimum and final tax paid by the same amount.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Unconsolidated statement of profit or losss	For the year ended 30 June 2023			
	As previously reported	Adjustments Increase	Adjustments (Decrease)	As restated
	(Rupees'000)			
Profit before minimum and final tax	67,774	-	-	67,774
Minimum and final tax	-	-	(128,274)	(128,274)
Loss before taxation	67,774	-	(128,274)	(60,500)
Income tax	(286,050)	128,274	-	(157,776)
Loss for the year	(218,276)	128,274	(128,274)	(218,276)

Unconsolidated statement of cash flows	For the year ended 30 June 2023			
	As previously reported	Adjustments Increase	Adjustments (Decrease)	As restated
	(Rupees'000)			
Cash flows from operating activities				
Income tax paid	(438,112)	128,274	-	(309,838)
Minimum and final tax paid - net	-	-	(128,274)	(128,274)
Other cash flows from operating activities	535,163	-	-	535,163
Net cash from operating activities	97,051	128,274	(128,274)	97,051
Net increase in cash and cash equivalents	-	-	-	-

50.2 Profit before taxation has been restated in line with above explained change, however there is no impact on the investing & financing cashflows for the year ended 30 June 2023.

51 DATE OF AUTHORISATION FOR ISSUE

51.1 These unconsolidated financial statements have been signed by two directors of the Company on behalf of the Board of Directors as the Chief Executive Officer at the time of signing was not available in Pakistan.

51.2 These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on October 29, 2024.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2024

Categories of Shareholders:	Shares Held	Percentage
Sponsors, Directors, CEO	509,514	1.57
Associated Companies	10,373,749	31.90
Banks, Development Financial Institutions and Non-Banking Financial Institutions	502,967	1.55
Insurance Companies	15	0.00
Modarabas and Mutual Funds	1,124,746	3.46
Foreign Companies	17,856,343	54.90
Individual:		
Local	185,326	0.57
Foreign	20,786	0.06
Others	1,950,724	6.00
	32,524,170	100

DISCLOSURE TO PATTERN OF SHAREHOLDINGS
AS AT 30 JUNE 2024

SHAREHOLDERS	SHARES HELD
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND CHILDREN:	
Mr. Sadruddin Hashwani	500
Mr. Murtaza Hashwani	502,357
Mr. M. A. Bawany	2,875
Syed Haseeb Amjad Gardezi	550
Mr. Shakir Abu Bakar	500
Mr. Muhammad Ahmed Ghazali Marghoob	500
Ms. Ayesha Khan	500
Mr. Shahid Hussain	582
Mr. Rohail Ajmal	650
Mr. Muhammad Saleem Ahmad Ranjha	500
	509,514
ASSOCIATED COMPANIES:	
Hashoo Holdings (Private) Limited	979,784
Zaver Petroleum Corporation Limited	2,964,332
Hashoo (Private) Limited	300
OPI Gas (Private) Limited	255,000
Gulf Properties (Private) Limited	3,004,333
Orient Petroleum INC.	3,170,000
	10,373,749
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE, COMPANIES,	
National Bank of Pakistan	482,061
National Investment Trust Limited	20,906
	502,967
INSURANCE COMPANIES	
Alpha Insurance Co. Limited	**15**
MODARBAS & MUTUAL FUNDS:	
CDC - Trustee AKD Index Tracker Fund	6,695
CDC - Trustee AKD Opportunity Fund	100
CDC- Trustee Golden Arrow Selected Stocks Fund Limited	13,400
CDC-Trustee National Investment (UNIT) Trust	1,104,551
	1,124,746

DISCLOSURE TO PATTERN OF SHAREHOLDINGS
AS AT 30 JUNE 2024

SHAREHOLDERS	SHARES HELD
FOREIGN COMPANIES:	
Penoramic International General Trading Llc	382,900
Dominion Hospitality Investments Ltd.	3,150,000
Castle Participations Inc.	3,170,000
Orient Drilling & Oilfield Services Limited	1,209,643
Sharan Associates S.A	2,760,000
Brickwood Investment Holding S.A.	2,905,000
Grenley Investments Limited	1,163,890
Amcorp Investments Limited	1,906,260
Azucena Holdings Limited	1,208,650
	17,856,343
INDIVIDUALS	
Local	185,326
Foreign	20,786
	206,112
OTHERS:	
Secretary, P.I.A	172,913
President Of Pakistan	336,535
Shakil Express Limited	418
Sheriar F.Irani Invmt.Trut.Ltd	62
Molasses Export Co.(Pvt) Ltd	93
Galadari Invest International	1,052,085
Jahangir Siddiqui & Co Ltd.	990
Syed Sulaiman Tahir	100
Ali Ahmed	100
Rs Publishers (Private) Limited	200
First Capital Equities Limited	80
Premier Fashions (Pvt) Ltd	100
Trustee National Bank Of Pakistan Employees Pension Fund	75,074
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	2,634
Trustees of Hamdard Laboratories (WAQF) Pakistan	246,943
H M Investments (Pvt) Limited	214
Kaizen Construction (Pvt) Limited	62,145
NCC-Pre Settlement Delivery Account	8
Msmaniar Financials (Pvt) Ltd.	14
Central Depository Company Of Pakistan Limited	4
Fikrees (Private) Limited	2
Ktrade Securities Limited	1
Mohammad Munr Mohammad Ahmed Khanani Securities Ltd.-MF	9
	1,950,724
	32,524,170

MARCO POLO RESTAURANT, RUMANZA BY PEARL-CONTINENTAL, MULTAN

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

EXECUTIVE ROOM, RUMANZA BY PEARL-CONTINENTAL, MULTAN

DIRECTORS' REPORT – CONSOLIDATED

Dear Members

The Board of Directors of Pakistan Services Limited, the Parent Company, is pleased to present before you 65th Annual Report carrying therewith also the audited consolidated financial statements for the year ended on June 30, 2024 and Auditors' Report thereon.

The financial results reflected in the Consolidated Financial Statements for the year ended on June 30, 2024 are as under:

	(Rupees '000)
Profit before taxation	**394,019**
Taxation	**50,102**
Loss from discontinued operation	**(39,445)**
Profit after taxation	**404,676**

Earnings per share

Earnings per share for the year worked out at Rs. 13.16.

During the year under review; the wholly owned subsidiary M/s Pearl Tours & Travels (Private) Limited remain engaged in the business of rent-a-car as well as arrangement of tour packages and generated revenue of Rs. 384 million as compared to Rs. 313 million for last year . During the year under review the Company recorded profit after tax of Rs. 29.00 million as compared to loss of Rs. 13.87 million in last year.

Wholly owned subsidiary companies M/s City Properties (Private) Limited, M/s Elite Properties (Private) Limited have not started their commercial operations, whereas another wholly owned subsidiary M/s Pearl Continental Hotels (Private) Limited remained dormant during the year 2023-24.

The Chairman's Review included in the Annual report shall be treated as part of Director's report which deals inter alia with the financial and operating results along with significant deviations from last year, significant future and other related matters of the Group.

Name of Directors, Board committees and detail of Director's remuneration, change in management, sustainability risk assessment and gender pay gap disclosures are included in Un-consolidated Directors report.

Nature of business throughout the year remains the same.

The directors of the company have formulated and implemented adequate internal financial controls.

The retiring auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants being eligible, offer themselves for re-appointment as the Company's auditors. The Board, on the recommendation of the Audit Committee, has proposed appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company for the year ending 30 June 2025.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Islamabad: 29 October, 2024

ڈائریکٹرز رپورٹ (مجموعی)

محترم حصص داران:

پاکستان سروسز لمیٹڈ، بنیادی کمپنی، کا بورڈ آف ڈائریکٹرز آپ کے سامنے 65ویں سالانہ رپورٹ پیش کر رہا ہے۔ اس رپورٹ کے ساتھ 30 جون 2024 کو ختم ہونے والے مالیاتی سال کے آڈٹ شدہ اور مربوط شدہ مالیاتی گوشوارے اور اس کے بارے میں آڈیٹرز کی رپورٹ بھی شامل ہے۔

30 جون 2024 کو ختم ہونے والے مالیاتی سال کے مربوط شدہ مالیاتی گوشواروں سے حاصل نتائج درج ذیل ہیں:

	(000، روپے)
ماقبل ٹیکس منافع	394,019
ٹیکس	50,102
منقطع کیے گئے کاروبار سے نقصان	(39,445)
بعد از ٹیکس منافع	404,676

فی حصص آمدن

مذکورہ سال کے لیے فی حصص منافع 13.16 روپے رہا۔

زیر نظر سال میں میسرز پرل ٹورز اینڈ ٹریولز (پرائیویٹ) لمیٹڈ، جو کہ مکمل ملکیتی ذیلی کمپنی ہے، نے اپنا کاروبار یعنی کہ کاروں کو کرایہ پر دینے، اور اس کے ساتھ ساتھ تفریحی سفر کے پیکیجز کے انتظامات، کی سرگرمیاں جاری رکھیں اور 384 ملین روپے کمائے، جب کہ پچھلے سال یہ آمدن 313 ملین روپے تھی۔ زیرِ نظر سال کے دوران کمپنی نے بعد از ٹیکس 29.00 ملین روپے کا منافع ریکارڈ کیا۔ جبکہ پچھلے سال یہ نقصان 13.87 ملین روپے تھا۔

مکمل ملکیتی ذیلی کمپنیوں میسرز سٹی پراپرٹیز پرائیویٹ لمیٹڈ اور میسرز ایلیٹ پراپرٹیز (پرائیویٹ) لمیٹڈ نے اپنی کاروباری سرگرمیوں کا آغاز نہیں کیا ہے جبکہ ایک مکمل ملکیتی ذیلی کمپنی میسرز پرل کانٹینینٹل (پرائیویٹ) لمیٹڈ کی 24-2023 میں سرگرمیاں تقریباً معطل رہیں۔

سالانہ رپورٹ میں شامل چیئرمین کے جائزے کو ڈائریکٹرز رپورٹ کے ایک حصے کے طور پر لیا جائے، جو کہ مالیاتی اور دورانِ کار (آپریشنل) نتائج کے ساتھ ساتھ پچھلے سال کی نسبت نمایاں انحرافات، گروپ کے اہم مستقبل کے منصوبوں اور دیگر متعلقہ معاملات پر مشتمل ہے۔

ڈائریکٹرز کے نام، بورڈ کی کمیٹیوں، اور ڈائریکٹرز کے معاوضہ جات کی تفصیل ڈائریکٹرز کی انفرادی ڈائریکٹرز رپورٹ میں شامل ہے۔

سال بھر کے دوران کاروبار کی نوعیت یکساں رہی۔

کمپنی کے ڈائریکٹرز نے اندرونی مالیاتی ضبط کے کافی اور مناسب انتظامات مرتب اور نافذ کیے ہیں۔

کمپنی کے ڈائریکٹرز نے موثر فنانشل کنٹرول واضع جو کہ مکمل طور پر نافذ ہیں۔

ریٹائرڈ ہونے والے آڈیٹرز نے اہل ہونے کے ناطے اپنے آپ کو آڈیٹرز کی صورت میں دوبارہ تقرری کے لیے پیش کیا۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے ریٹائرڈ ہونے والے آڈیٹرز کو جون 2025 کو ختم ہونے والے سال کے لیے آڈیٹرز مقرر کرنے کی تجویز دی ہے۔

ڈائریکٹر
مرتضیٰ ہاشوانی

ڈائریکٹر
شاکر ابوبکر

اسلام آباد: 29 اکتوبر 2024

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Services Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024 and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw attention to note 2.4 and 8 (Going concern basis of accounting and long term loans and borrowings) which state that as at 30 June 2024, the Parent Company was in breach of its' long term borrowing agreements due to non-payment of its' due obligations and non-compliance with certain required covenants and due to this non-payment of due obligations, one of the Sukuk participants has subsequent to the year-end served a legal notice of default to the Parent Company and its directors, requiring settlement of its share in Sukuk. The Group's current liabilities exceeded its' current assets by Rs. 10.48 billion as at 30 June 2024. As at the date that these consolidated financial statements were authorized for issue, management of the Group is engaging with its' lenders for further restructuring and based on legal advice believes that it is not likely that the unilateral demand of the Sukuk participant will be enforced. While the negotiations may take its' due course, the management in the interim expects to have adequate resources through the Group's projected operating cashflows and envisaged sponsor support, in case the current debt obligations of the Parent Company are required to be repaid and to fund the Group's operations. As a mitigating factor to the liquidity crunch due to timing of generation of operating cashflows, the Group management envisages sponsor support and the sponsor also remains a guarantor to the existing borrowing of the Parent Company towards Sukuk obligations through a signed guarantee agreement. A formal agreement for sponsors' funding injection will be entered into at the time of repaying the outstanding obligations to determine the exact required amount, if needed. These events along with other events described in note 2.4 (Going concern basis of accounting) indicate that a material uncertainty exist that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** Refer to note 3.15 and 32 to the consolidated financial statements. The Group recognized gross revenue of Rs. 7,396.59 million and Rs. 9,300.89 million from rooms and sale of food and beverages respectively for the year ended 30 June 2024. We identified recognition of revenue from rooms and sale of food and beverages as a key audit matter because these are key performance indicators of the Group and give rise to an inherent risk that rooms and food and beverage revenues could be subject to misstatements to meet expectations or targets.	Our audit procedures in this area included, among others: • Obtaining an understanding of the processes relating to recognition of revenue and testing the design and implementation of key internal controls over recording of revenue; • Assessing the appropriateness of accounting policies for revenue recognition for compliance with applicable financial reporting framework; • Comparing a sample of revenue transactions recorded during the year with sales invoices and other relevant underlying supporting documents; • Comparing a sample of revenue transactions recorded before and after the year- end with sales invoices and other relevant underlying supporting documents to evaluate if the related revenue was recorded in the appropriate accounting period; • Assessing the appropriateness of journal entries posted to the revenue accounting during the year, by drawing a sub-population meeting certain specific risk based criteria and comparing the details of such journal entries with the underlying documentation and accounting records; • Carrying out an analysis by developing an expectation of revenue amounts through sales taxes reported in monthly returns filed by the Parent Company with revenue authorities during the year and reconciling the expected revenue with the amounts of revenue recognized in the consolidated financial statements; and • Assessing the appropriateness of presentation and disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

Information other than the Unconsolidated and Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report and Key Operating and Financial Data, Horizontal Analysis, Vertical Analysis and Statement of Value Addition and its Distribution included in the annual report for the year ended June 30, 2024 but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN SERVICES LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Atif Zamurrad Malik.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Date: 01 November 2024

UDIN: AR202410111gA2u0KUl1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024	30 June 2023
		(Rupees'000)	
EQUITY			
SHARE CAPITAL AND RESERVES			
Share capital	4	325,242	325,242
Capital reserves	5	727,747	145,070
Revenue reserves	6	8,306,621	5,620,965
Revaluation surplus on property, plant and equipment	7	34,737,302	36,498,205
Equity attributable to owners		44,096,912	42,589,482
Non-controlling interest		266,205	117,667
Total equity		44,363,117	42,707,149
LIABILITIES			
Loans and borrowings	8	623,669	1,882,050
Lease liabilities	9	191,595	248,909
Employee benefits	10	1,141,905	1,042,945
Other liabilities	11	210,252	141,960
Deferred tax liability - net	12	408,069	633,007
Non current liabilities		2,575,490	3,948,871
Short term borrowings	13	2,124,149	2,576,960
Current portion of loans and borrowings	8	8,188,038	10,729,652
Current portion of lease liabilities	9	143,642	151,161
Trade and other payables	14	3,771,116	3,707,432
Contract liabilities	33	975,052	952,335
Advance against non-current assets held for sale		-	500,000
Other liabilities	11	11,245	-
Unpaid dividend	15	1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		15,224,012	18,628,310
Total equity and liabilities		62,162,619	65,284,330
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

	Note	30 June 2024	30 June 2023
		(Rupees'000)	
ASSETS			
Property, plant and equipment	17	54,730,960	46,576,613
Advances for capital expenditure	18	1,176,152	1,189,494
Intangible assets	19	67,510	677,847
Investment property	20	72,000	80,000
Long term investments	21	1,357,395	1,103,776
Long term deposits	22	17,581	50,026
Advance against equity	23	-	-
Non current assets		57,421,598	49,677,756
Inventories	24	546,474	520,654
Development properties	25	470,795	2,005,487
Trade debts	26	901,736	987,640
Contract assets	33	46,156	20,620
Advances, prepayments, trade deposits and other receivables	27	1,076,073	790,940
Short term investments	28	729,282	725,755
Non-current assets held for sale	29	-	9,339,704
Advance income tax - net	30	459,796	828,745
Cash and bank balances	31	510,709	387,029
Current assets		4,741,021	15,606,574
Total assets		62,162,619	65,284,330

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	Restated 30 June 2023
		(Rupees'000)	
Revenue - net	32	16,629,837	13,582,902
Cost of sales and services	34	(10,746,162)	(8,478,733)
Gross profit		5,883,675	5,104,169
Other income	35	926,842	483,150
Administrative expenses	36	(4,121,154)	(4,061,036)
Other expense	37	(112,311)	(1,298,341)
(Allowance) / reversal for expected credit loss	26	(101,582)	138,831
Operating profit		2,475,470	366,773
Finance income	38	204,139	210,115
Gain / (loss) on remeasurement of investments to fair value - net		1,809	(170)
Finance cost	39	(2,545,810)	(1,998,409)
Net finance cost		(2,339,862)	(1,788,464)
Share of profit in equity accounted investments - net	21	258,411	155,001
Profit/ (loss) before minimum and final tax		394,019	(1,266,691)
Minimum and final tax		(217,528)	(138,203)
Profit / (loss) before taxation		176,491	(1,404,894)
Income tax	40	267,630	(200,003)
Profit / (loss) from continuing operations		444,121	(1,604,897)
(Loss) from discontinued operation, net of tax	41	(39,445)	(180,906)
Profit / (loss) for the year		404,676	(1,785,803)
Profit / (loss) attributable to:			
Owners of the Parent Company		427,935	(1,702,726)
Non-controlling interests		(23,259)	(83,077)
		404,676	(1,785,803)
Earnings / (loss) per share - basic and diluted (Rupees)	42	13.16	(52.35)

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	30 June 2024	30 June 2023
	(Rupees'000)	
Profit / (loss) for the year	404,676	(1,785,803)
Other comprehensive income for the year		
Items that will not be reclassified to consolidated statement of profit or loss		
Remeasurement of defined benefit liability- gratuity	30,450	4,170
Surplus on revaluation of property, plant and equipment	510,000	-
Share of remeasurement of defined benefit obligation of associate	-	(83)
Unrealised (loss) / gain on non-quoted investment	(19,359)	27,715
Related tax effect	(6,554)	(1,737)
	514,537	30,065
Items that may be reclassified to consolidated statement of profit or loss		
Exchange (loss) / gain on translation of long term investments in equity accounted investees	(132,281)	988,094
Share of other OCI items of associate	111,435	(28,053)
Related tax effect	3,127	(291,246)
	(17,719)	668,795
Total comprehensive income for the year / (loss)	901,494	(1,086,943)
Total comprehensive income / (loss) attributable to:		
Owners of the Parent Company	924,753	(1,003,866)
Non-controlling interests	(23,259)	(83,077)
	901,494	(1,086,943)

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Share premium	Capital reserve other	Share of associate's capital reserve	Revenue reserves					Surplus on revaluation of property, plant and equipment	Total	Non-controlling interest	Total equity
					General reserve	Fair value through other comprehensive income (net of tax)	Exchange translation reserve (net of tax)	Share of other OCI items of associate (net of tax)	Unappropriated profit				
	(Rupees'000)												
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 year													
(Loss) for the year	-	-	-	-	-	-	-	-	(1,702,726)	-	(1,702,726)	(83,077)	(1,785,803)
Other comprehensive income for the year	-	-	-	-	-	19,678	701,547	(24,715)	2,350	-	698,860	-	698,860
Total comprehensive income for the year - (loss)	-	-	-	-	-	19,678	701,547	(24,715)	(1,700,376)	-	(1,003,866)	(83,077)	(1,086,943)
Transactions with owners													
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	-	-	14,400	14,400
Transfer on disposal	-	-	-	-	-	-	-	-	2,569,666	(2,569,666)	-	-	-
Balance at 30 June 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
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 year													
Profit for the year	-	-	-	-	-	-	-	-	427,935	-	427,935	(23,259)	404,676
Other comprehensive income for the year	-	-	-	-	-	(13,745)	(112,439)	94,720	18,282	510,000	496,818	-	496,818
Total comprehensive income for the year	-	-	-	-	-	(13,745)	(112,439)	94,720	446,217	510,000	924,753	(23,259)	901,494
Transactions with owners													
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	51,710	51,710
Disposal of subsidiary	-	-	451,618	-	-	-	-	-	-	-	451,618	120,087	571,705
Effect of change in ownership	-	-	131,059	-	-	-	-	-	-	-	131,059	-	131,059
	-	-	582,677	-	-	-	-	-	-	-	582,677	171,797	754,474
Transfer on disposal	-	-	-	-	-	-	-	-	2,270,903	(2,270,903)	-	-	-
Balance at 30 June 2024	325,242	269,424	311,102	147,221	1,600,000	5,933	2,057,955	97,845	4,544,888	34,737,302	44,096,912	266,205	44,363,117

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

Murtaza Hashwani
Director

Shakir Abu Bakar
Director

Tahir Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	Restated 30 June 2023
		(Rupees'000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	43	3,209,754	2,287,125
Working capital changes			
Inventories		(25,820)	(112,728)
Development property		1,534,692	(150,000)
Trade debts		(15,678)	(15,624)
Contract assets		(25,536)	7,034
Advances		(66,990)	(31,165)
Trade deposits and prepayments		(12,843)	(38,776)
Other receivables		(230,070)	(208,137)
Contract liabilities		(7,199)	79,772
Non current liabilities		-	(12,934)
Trade and other payables		175,342	845,226
Cash generated from operations		1,325,898	362,668
Staff retirement benefit - gratuity paid		(61,225)	(57,894)
Compensated leave absences paid		(27,707)	(29,433)
Minimum and final tax paid		(217,528)	(138,203)
Income tax refund / (paid) - net		406,650	(315,583)
Finance cost paid		(3,346,844)	(2,453,781)
Net cash generated from / (utilized in) operating activities		1,288,998	(345,102)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(2,387,089)	(1,516,092)
Proceeds from disposal of property, plant and equipment		94,565	93,369
Software procurement/ development expenditure		(8,755)	(77,030)
Short term investments - net		293	-
Consideration received from subsidiary disposal, net of cash disposed		244,120	
Advance against non-current assets held for sale		-	500,000
Dividend income received		75,283	61,427
Increase in non-current assets held for sale		-	(333,675)
Proceeds from disposal of non current assets held for sale		3,837,999	2,344,220
Receipts of return on bank deposits and short term advance		198,851	210,879
Long term deposits and prepayments		1,700	2,492
Net cash from investing activities		2,056,967	1,841,260
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(3,587,370)	(1,706,586)
Proceeds from long term financing		45,000	441,050
Allocation of rooms on long term basis		75,298	215,509
Lease liabilities paid		(112,709)	(120,533)
Transaction cost paid		-	(15,000)
Short term loan - net		(99,240)	157,467
Advance against issuance of shares prior to subsidiary disposal		222,053	14,400
Net cash used in financing activities		(3,456,968)	(1,013,693)
Net (decrease) / increase in cash and cash equivalents		(111,003)	482,465
Cash and cash equivalents at beginning of the year		(1,145,455)	(1,627,920)
Cash and cash equivalents at end of the year	44	(1,256,458)	(1,145,455)

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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 the Companies Act, 2017) as a public limited Company and is quoted on Pakistan Stock Exchange Limited.

The Parent Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Pakistan. The Parent Company also grants franchise to use its trademark and name "Pearl Continental". Further, the Parent Company is also in the process of constructing hotels in Multan, Punjab and Mirpur, Azad Jammu and Kashmir.

The Parent Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The addresses of lands, hotel buildings where the Parent Company carries out business and other immovable properties owned by the Parent Company located in Karachi, Lahore, Rawalpindi, Bhurban, Multan, Muzaffarabad and Mirpur, Gilgit, Hunza & Chitral are disclosed in note 17.1.5 along with the details of business units of the parent Company's subsidiaries.

As at the reporting date, the Parent Company has the following subsidiaries, which together with the Parent Company constitute "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 group"	Real estate development & Strategic investments	100%
Elite Properties (Private) Limited	Real estate development (non-operative)	100%
Pak Vitae (Private) Limited	Clean water products	xxx% (through Invency group)
Invency (Private) Limited "Invency group"	Diversified investments	78.31% (through CPPL group)

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS Standards), 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.

In case the requirements of the Companies Act, 2017 differ from the IFRS Standards or IFAS, the requirements of the Companies Act, 2017 have been followed.

2.2 Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and the subsidiary Companies together constituting "the Group". The investment in associated Companies and joint venture has been carried using the equity method of accounting as prescribed in the accounting and reporting standards as applicable in Pakistan due to significant influence over the operating and financial policies of these investee Companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2.1 Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in consolidated statement of profit or loss. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in consolidated statement of profit or loss.

Business combinations under common control
Business combinations between entities or businesses under common control are defined as a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory. These type of business combinations including group restructurings with insignificant non-controlling interest are accounted for using book value (predecessor method) of accounting. Any difference between the consideration paid by the group and the book value of net assets acquired is recognized within equity. Common control transactions are accounted for from the date of completion i.e., the date on which it obtains the control over the company (or business) and comparative information is not restated.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

These consolidated financial statements include Pakistan Services Limited (PSL) and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

Non-controlling interests (NCI)
NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition while applying the acquisition method of accounting. Changes in the Group's interest in a subsidiary, except those part of the initial acquisition transaction, that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity either directly or by reclassifying to consolidated statement of profit or loss. Any resulting gain or loss is recognized in consolidated statement of profit or loss unless the control is relinquished as a result of a common control transaction in which case the gain or loss is recognized directly within equity. Any interest retained in the former subsidiary is measured at fair value when control is lost unless the investment is classified as an associate arising out of a disposal to common controlling party.

Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise of interests in associates and a jointly controlled entity. Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies. A jointly controlled entity is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the jointly controlled entity are accounted for using the equity method. They are initially recognized at fair value including goodwill if deemed recoverable, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the consolidated profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence or joint control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Transactions elimination in consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Pak Rupee at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Pak Rupee at the exchange rates at the dates of the transactions which essentially represent an yearly average rate. Foreign currency differences are recognized in the consolidated statement of comprehensive income as translation difference and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of profit or loss account as part of the gain or loss on disposal. When the Group disposes of only a part of an associate or jointly controlled entity while retaining significant influence or control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

2.3 Basis of measurement and preparation

These consolidated financial statements have been prepared under historical cost convention except for the following items which are measured on an alternative basis on each reporting date.

Item	Measurement basis
Land (freehold and leasehold classified as operating fixed assets)	Revaluation model
Investment property	Fair value
Investments classified as fair value through profit or loss	Fair value
Investments classified as fair value through other comprehensive income	Fair value
Employee benefits -Net defined benefit liability	Present value of the defined benefit liability, determined through actuarial valuation

The method used to measure fair values are disclosed in respective policy notes.

2.4 Going concern basis of accounting

As at 30 June 2024, the Group was in breach of its' long term borrowing agreements due to non-payment of its' due obligations and non-compliance with certain required covenants (refer note 8). Due to this non-payment of due obligations, one of the lenders has subsequent to the year-end served a legal notice of default to the Parent Company and its Board of Directors, requiring settlement of its share in Sukuk. The Group's current liabilities exceeded its' current assets by Rs. 10.48 billion as at 30 June 2024. This was primarily due to the classification of long-term loans as current liabilities.

As at the date that these consolidated financial statements were authorized for issue, management is engaging with its' lenders for further restructuring. While the negotiations may take its' due course, the management in the interim expects to have adequate resources in case the current debt obligations are required to be repaid and to fund the Group's operations, accordingly, these consolidated financial statements have been prepared on a going concern basis based on the following considerations:

- Management of the Group based on business plan of the parent Company expects to generate adequate operating cashflows amounting to Rs. 2.74 billion (after repayment of mark-up of Rs. 2.69 billion) for the year ending 30 June 2025 providing sufficient debt servicing ability to make principal repayments as per the current contractual repayment terms,
- The improved operating cashflows would result from an increase in revenue which the Group has been achieving in the recent past. This increase is further expected to be coupled with decrease in finance costs and efficient working capital management. The Group is also implementing measures to curtail capital expenditure, incurring only on a need basis, so as

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

to prioritize the reduction of mark-up bearing obligations. Further, the Group has adjusted the carrying amounts of assets and liabilities of subsidiaries to an amount which the management expects they will generate to restrict those to their recoverable amounts,

- As a mitigating factor to the liquidity crunch due to timing of generation of operating cashflows, the management of the Group envisages sponsor support to meet any shortfall. Sponsor remain committed and has confirmed the continued support and fund any cash gap as required. With respect to the legal notice, the Parent Company through its legal counsel has responded to the notice and already has a deposit balance of Rs. 120 million with the participant. As of the date on which these consolidated financial statements are authorized for issue, the Parent Company has not received any other notice from either the agent bank of lenders or other Sukuk participants. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced (refer to note 40.5.1(iii)), however, in case of any adverse eventuality this demand will be bridged through financial support from the sponsor of the Parent Company. The sponsor also remains a guarantor to the existing borrowing of the Group towards Sukuk obligations through a signed guarantee agreement. A formal agreement for sponsors' funding injection will be entered into at the time of repaying the outstanding obligations to determine the exact required amount, and
- Although the loan related obligations are classified as current in these consolidated financial statements, management after taking into account the implications of above mentioned legal notice and legal advice does not expect to pay the lenders accelerated payments, if:
  a. the overdue amounts are repaid (operating cash flows envisaging funds injection are expected to be sufficient); or
  b. management further progresses in the restructuring negotiations and manages to agree revised repayment terms of loans.

Based on the factors explained above, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future and therefore it remains appropriate to prepare the consolidated financial statements on a going concern basis.

Management acknowledges that the manner and timing of all the assumptions and projected results envisaged in management's assessment and cashflow projections are always subject to unforeseen variability, and these may differ due to events and conditions outside the control of management. The events and conditions above indicate a material uncertainty on the manner of achievement of planned actions and projected results that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.5 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency).

These consolidated financial statements are presented in Pak Rupees (Rupee or PKR), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.6 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The areas where various assumptions and estimates are applied to prepare the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Significant accounting estimates and judgments

- Note 3.1 & 17.1 – depreciation of operating fixed assets;
- Note 17.1.3 – revalued amounts of freehold and leasehold land;
- Note 18 – impairment of non-current assets;
- Note 16.1 & 40.3 - provisions and contingencies;
- Note 3.13 & 10 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3.14 & 40 - income tax;
- Note 3.9.1 & 26 - measurement of allowance for expected credit loss; and
- Note 2.4 - going concern basis of accounting.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below including those explained in note 2.2 have been applied consistently to all periods presented in these consolidated financial statements except for the changes described below:

- The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. Although the amendments did not result in any change to the accounting policies themselves, they impacted the accounting policy information disclosed in these consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand from the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies which are stated in the sub-notes.
- The Group adopted an amendment to IAS - 12 'Income Taxes' related to initial recognition exemption clarifying that the available exemption does not apply to transactions that give rise to equal and offsetting temporary differences. This adoption has no impact on the carrying amount of assets and liabilities recognized in these consolidated financial statements as the Group was already recognizing these off-setting temporary differences.
- The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum taxes and certain final taxes paid should be classified as 'levies' and not income tax in the consolidated statement of profit or loss. Since, the impact of the said changes is material, per the abovesaid guidance issued by ICAP and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively. Accordingly, the Group has restated its comparative information presented in the consolidated statement of profit or loss by reclassifying levies amounting to Rs. 138,203,000 from 'Income tax' to 'Minimum and final tax'. In the consolidated statement of cash flows, the Income tax paid under the 'operating activities' has been reduced by Rs. 138,203,000 corresponding to an increase to 'Minimum and final tax paid' by the same amount (refer note 53).

3.1 Property, plant and equipment and advance for capital expenditure

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses except for:

- land (freehold and leasehold) which is not depreciated and carried at revalued amounts
- capital work in progress and advance for capital expenditure which are stated at cost less impairment loss, if any.

Cost comprises of purchase price and other directly attributable costs less refundable taxes. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The completed or / acquired capital work in progress and advance for capital expenditure is transferred to the respective item of operating fixed assets when it becomes available for intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Land (free hold and lease hold) are recognized at revalued amounts based on valuation by external independent valuer. Long term leases of land in which the Group obtains perpetual ownership rights are accounted for as property, plant and equipment and presented as 'leasehold land'. Revaluation surplus on property, plant and equipment is credited to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

shareholders' equity and presented as a separate line item in consolidated statement of financial position. Increases in the carrying amounts arising on revaluation of land are recognized, in consolidated statement of comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in consolidated statement of profit or loss, the increase is first recognized in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognized in consolidated statement of profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the diminishing balance method over their estimated useful lives on monthly basis and is recognized in consolidated statement of profit or loss. Capital work in progress is not depreciated. Rates of depreciation are mentioned in note 17.1.1.

Depreciation on additions to property, plant and equipment is charged on pro-rata basis when it is available for intended use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Group. Any leasehold improvements which are expected to provide economic benefits to the Group only during the term of the lease are depreciated on a straight line basis over the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

3.2 Intangible assets

Intangible assets are measured at cost, less accumulated amortization, and any accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the diminishing balance method over their estimated useful lives, on monthly basis and is recognized in consolidated statement of profit or loss. Amortization rate is mentioned in note 19.

Amortization on additions to intangible assets is charged on pro-rata basis when it is available for its intended use to the Group.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.3 Leases

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

- the contract involves the use of an identified asset.
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the straight-line method from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term except where title of the underlying asset is expected to pass to the Group in which case the right of use asset is depreciated on its useful life. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Rates of depreciation are mentioned in note 17.1.1.

The Group presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' in consolidated statement of financial position.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate.
- amounts expected to be payable by the lessee under residual value guarantees.
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments or lease term.

Short term leases and low-value assets

The Group has elected not to recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and the leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.4 Inventories

3.4.1 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of; weighted average cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. For items which are slow moving and / or identified as surplus to the Group requirements, adequate provision is made for any excess book value over estimated net realizable value. The Group reviews the carrying amounts of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stores, spare parts and loose tools.

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3.4.2 Stock in trade

These are valued at lower of; weighted average cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make a sale. The Group reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stock in trade.

3.5 Financial instruments

The Group initially recognizes financial assets on the date when they are originated. Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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

3.5.1 Financial asset

Classification

On initial recognition, a financial asset is classified as measured at:
- amortized cost.
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

a) Amortized cost
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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c) **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortized cost	Measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is recognized in consolidated statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in consolidated statement of profit or loss. Other net gains and losses are recognized in consolidated statement of comprehensive income. On de-recognition, gains and losses accumulated in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss.
Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in consolidated statement of profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in consolidated statement of comprehensive income and are never reclassified to consolidated statement of profit or loss.

De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

3.5.2 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in consolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in consolidated statement of profit or loss.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the consolidated statement of profit or loss for the period in which it arises.

3.5.3 **Offsetting**

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

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3.6 Trade and other receivables

Trade and other receivables are recognized and carried at the original invoice amounts, less an allowance for expected credit loss, if any. The Group applies simplified approach as allowed under IFRS-9 to measure the expected credit losses (ECL) on trade debts. The ECL model requires the Group to recognize an allowance for all financial assets carried at amortized cost including trade debts and other receivables.

3.7 Common control transactions

Business combinations between entities or businesses under common control are defined as a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory. These type of business combinations including group restructurings with insignificant non-controlling interest are accounted for using book value (predecessor method) of accounting. Any difference between the consideration paid by the group and the book value of net assets acquired is recognized within equity. Common control transactions are accounted for from the date of completion i.e., the date on which it obtains the control over the company (or business) and comparative information is not restated.

Any gain or loss arising out of a common control transaction within the Group is recognized outside of consolidated statement of profit or loss to adequately reflect the changes within equity of the Group.

3.8 Trade and other payables

Trade and other payables are initially carried at the fair value of the consideration to be paid in future for goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

3.9 Impairment

3.9.1 Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether the financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. These are provided in full in the consolidated statement of profit or loss and are not subject to simplified approach.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof and the write-off has been approved at appropriate levels within the Group.

3.9.2 Impairment of non-financial assets

The carrying amount of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present

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value using a risk adjusted pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in consolidated statement of profit or loss. Impairment losses in respect of cash-generating units are allocated to the carrying amounts of assets in the cash-generating unit group on pro-rata basis. An impairment loss is reversed only to the extent that the asset or CGUs carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

3.11 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.12 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.13 Employee benefits

3.13.1 Defined benefit plans

(a) Gratuity

The Group operates defined benefit plan comprising an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

The Group's net liability in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method (PUC).
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in consolidated statement of comprehensive income. The Group determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated statement of profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(b) Compensated leave absences

The Group operates defined benefit plan comprising an unfunded compensated leave absences scheme covering all eligible employees as specified by the scheme.

The Group recognizes provision for compensated absences on the un-availed balance of privilege leaves of all its permanent and unionized employees. The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method (PUC) and related expense related to defined benefit plans are recognized in consolidated statement of profit or loss.

3.13.2 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13.3 Defined contribution plan – Provident fund

The Group operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Group and employees at an agreed rate of salary, the fund is managed by its Board of Trustees. The contributions of the Group are charged to consolidated statement of profit or loss.

3.14 Income tax

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

Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amounts payable under the tax laws which are in excess of tax charged on taxable profits are recognized as levies (minimum and final taxes). Further, withholding taxes on dividends received from associate or joint venture is classified as a current tax whereas dividend received from investments in equity instruments held for trading purposes is charged as a levy (final tax) in the consolidated statement of profit or loss.

Deferred tax

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

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

3.15 Revenue recognition

The Group generates revenue from room rentals, food and beverages sales, franchise & management fee, shop license fees, revenue from minor operating departments, car rentals and tour packages and real estate.

3.15.1 Revenue from contracts with customers

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms, and the related revenue recognition policies.

Type of services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Room revenue	The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefit. There is no financing component involved. Discounts are offered to the customers at the management's discretion	Room revenue is recognized on the rooms occupied on daily basis and after completing all other obligation related to the room.
Food and beverages revenue	The performance obligation is satisfied at the point in time when food and beverages are served to the customer. For service charges levied on food and beverages, the performance obligation is satisfied at the point in time when the food and beverages are served. There is no financing component involved. Discounts are offered to the customers at the management's discretion.	Food and beverages revenue is recognized on consumption of food and beverages by the customer.
Revenue from other related services	The performance obligation is satisfied at the point in time/ over time when services are provided to the customer. There is no financing component involved. Discounts are offered to the customers at the management's discretion.	Revenue from other related services is recognized when the services are provided.
Revenue from franchise & management fee	The performance obligation is satisfied over time when franchise rights and management services are provided to the customer. There is no financing component involved.	Revenue is recognized when it is probable that the related economic benefits will flow to the entity.
Revenue from car rental & tour packages	Performance obligation is satisfied at point in time when car rental and tour package services are delivered to the customer. There is no financing component. Discounts are offered to the customers at the management's discretion.	Revenue from car rental and tour package service is recognized when service is provided to the customers.
Revenue from real estate	The performance obligation is satisfied at point in time when the ownership title of land or building is transferred to the customers at transaction price. There is no financing component involved.	Revenue from real estate segment is recognized when the ownership title of land or building is transferred to the customers at transaction price.

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Contract cost

The contract cost is the incremental cost that the Group incurs to obtain a contract with customers that it would not have incurred if the contract had not been obtained. The Group recognizes contract cost as an expense in the consolidated statement of profit or loss using a practical expedient which allows the expense recognition on an incurred basis when the related revenue from contract with customer is expected to be realized within twelve months.

Contract assets

The contract assets primarily relate to the Group's right to consideration for service provided but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become conditional. This usually occurs when the Group issue an invoice to the customer.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfer services to a customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group perform its performance obligation under the contract.

3.16 Non – current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses, if any, on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in consolidated statement of profit or loss. Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Held for sale assets which are no longer expected to be disposed off within next twelve months from the reporting date are re-classified as property, plant and equipment along with cumulative catch-up adjustment being recognized during the year which would have been accounted for if the classification as held for sale was not earlier made.

3.17 Finance income and finance costs

The Group's finance income and finance costs include interest income, dividend income, interest expense, foreign currency gain or loss on financial assets and financial liabilities. Interest income or expense is recognized using the effective interest method. Dividend income is recognized in consolidated statement of profit or loss on the date on which the Group's right to receive payment is established.

Mark-up, interest and other charges on borrowings used for the acquisition and construction of qualifying assets are capitalized up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related property, plant and equipment acquired/constructed out of the proceeds of such borrowings. Borrowing cost capitalization is suspended when there is no active period of construction

3.18 Ijarah contracts

Assets held under Ijarah arrangement are not recognized in the Group's consolidated statement of financial position. Payments made under ijarah contracts are charged to consolidated statement of profit or loss on a straight-line basis over the term of the Ijarah lease arrangements.

3.19 Cash and cash equivalents

Cash and cash equivalents are carried at amortized cost and mainly comprise of bank balances and short-term borrowings (running finances) under mark-up arrangements, used by the Group in the management of its short-term commitments.

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3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management 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 management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized 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 fall into different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.21 OTHER ACCOUTING POLICY INFORMATION

3.21.1 Foreign currency transactions and translations

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the date of consolidated statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

3.21.2 Government grant

The Group recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with grant. Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

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3.21.3 Other income

Communication towers and other rental income is recognized on an accrual basis over the agreed payment terms. Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis as other income.

3.21.4 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in consolidated statement of profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in consolidated statement of profit or loss.

3.22 Standards, Interpretations and Amendments to the Approved Accounting 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 1 July 2024 and may have impact on material accounting policy information. The Group is in the process of evaluating the potential impact of the amendments on these consolidated financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a Group must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to

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apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Group's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a Group might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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4 SHARE CAPITAL

4.1 **Authorised share capital**

Authorized share capital is 200,000,000 (2023: 200,000,000) ordinary share of Rs. 10 each.

4.2 **Issued, subscribed and paid up share capital**

2024	2023		2024	2023
Number of shares			(Rupees'000)	
		Ordinary shares of Rs.10 each		
25,672,620	25,672,620	- Fully paid in cash	256,726	256,726
362,100	362,100	- For consideration other than cash (against property)	3,621	3,621
6,489,450	6,489,450	- Bonus shares	64,895	64,895
32,524,170	32,524,170		325,242	325,242

4.2.1 All ordinary shares rank equally with regard to the Parent Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Parent Company.

4.2.2 As of the reporting date 10,373,749 (2023: 10,373,749) and 509,514 (2023: 509,514) ordinary shares of Rs. 10 each were held by associated Companies and directors of the Parent Company respectively.

4.3 **Capital management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders, and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Parent Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Group's approach to capital management during the year except to the extent as disclosed in note 2.4 (Going Concern basis of Accounting). Under the terms of the loan agreements the Parent Company is required to maintain certain thresholds of current ratio, debt to equity ratio and debt service coverage ratio as part of its loan covenants. Refer note 8. The Parent Company is also barred from payment of any dividend, further unappropriated profit includes an amount of Rs. 5,342 million (2023: Rs. 3,048 million) on account of surplus on revaluation of lands and net gain on disposal of capital assets, distribution of the same is subject to section 240 of Companies Act 2017.

5 CAPITAL RESERVES	Note	2024	2023
		(Rupees'000)	
Share premium	5.1	269,424	269,424
Share of associate's capital reserve		147,221	147,221
Capital reserve - others		311,102	(271,575)
		727,747	145,070

5.1 Capital reserve represents share premium as and when received.

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6 REVENUE RESERVES

	2024	2023
	(Rupees'000)	
General reserve	1,600,000	1,600,000
Exchange translation reserve (net of tax)	2,057,955	2,170,394
Surplus on remeasurement of FVOCI securities (net of tax)	103,778	22,803
Unappropriated profit	4,544,888	1,827,768
	8,306,621	5,620,965

7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees'000)	
Balance at 01 July		36,498,205	39,067,871
Surplus on revaluation recognized during the year		510,000	-
Transferred to revenue reserves		(2,270,902)	(2,569,665)
Balance at 30 June		34,737,301	36,498,204

8 LOANS AND BORROWINGS - SECURED

a. Non current potion

	Note	2024	2023
Term Finance Loan - 1	8.1	892,081	1,915,649
Term Finance Loan - 3	8.2	499,987	1,333,333
Term Finance Loan - 4	8.3	1,199,980	1,600,000
Term Finance Loan - 6	8.4	309,264	351,050
Sukuk	8.5	4,473,129	5,751,166
Preference shares	8.6	279,000	279,000
Term Finance Loan - 7	8.7	81,250	90,000
Term Finance Loan - 8	8.8	45,000	-
Transaction cost		(18,236)	(32,711)
		7,761,455	11,287,487
Current portion of loans		(7,137,786)	(9,405,437)
		623,669	1,882,050

b. Current portion

	Note	2024	2023
Current portion of loans	8.9	7,137,786	9,405,437
Mark-up accrued		1,050,252	1,324,215
		8,188,038	10,729,652

8.1 This represents outstanding balance of term finance loan of Rs. 3,000 million carrying markup of 3-month KIBOR plus 0.75% (2023: 3-month KIBOR plus 0.75% to 1.5% prior to restructuring) payable quarterly. These are secured against first pari passu equitable mortgage charge on land and building of Pearl Continental Hotel, Rawalpindi for an amount of Rs. 2,734 million (2023: Rs. 2,734 million), first pari passu charge over all present and future movable assets of Pearl Continental Hotel, Rawalpindi to the extent of Rs. 734 million (2023: Rs. 734 million). During the year, the Parent Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.4, the Parent Company didn't comply with the required loan covenants as at 30th June 2024, accordingly, the entire outstanding obligation has been classified as a current liability in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8.2 This represents the outstanding balance of term finance loan of Rs. 3,000 million carrying markup of 3-month KIBOR plus 0.75% (2023: 3-month KIBOR plus 0.75%) per annum payable quarterly. This facility is secured against first pari-passu charge over land and building of Pearl Continental Hotel, Karachi and ranking hypothecation charge on all present and future fixed and current assets of Pearl Continental Hotel, Karachi to the extent of Rs. 4,000 million (2023: Rs. 4,000 million) and Equitable mortgage and hypothecation charge on fixed assets of Pearl Continental Hotel Multan to the extent of Rs. 2,983 million (2023: Rs.2,983 million) and Rs. 1,127 million respectively. This loan facility was restructured during the year on 15th September 2023 and accordingly, the Parent Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.4, the Parent Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the required loan covenants as at 30th June 2024, accordingly, the entire outstanding obligation has been classified as a current liability in the consolidated financial statements.

8.3 This represents the outstanding balance of term finance loan of Rs. 2,000 million carrying markup of 6-month KIBOR plus 0.65% (2023: 6-month KIBOR plus 0.65%) per annuum payable semi-annually. This facility is secured against first pari passu charge over Pearl Continental Hotel, Rawalpindi to the extent of Rs. 3,464 million. This loan facility was restructured during the year on 11th August 2023 and accordingly, the Parent Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.4, the Parent Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the required loan covenants as at 30th June 2024, accordingly, the entire outstanding obligation has been classified as a current liability in the consolidated financial statements.

8.4 This represents outstanding balance of sale and lease back facility availed by the Parent Company from an Islamic financial institution. The facility carries markup of 3-month KIBOR plus 1% to 1.5% (2023: 3-month KIBOR plus 1% to 1.5%) per annum payable monthly. The facility is secured by way of charge on specific machinery and equipment to the extent of Rs. 430 million (2023: Rs. 430 million).

8.5 This represents outstanding balance of rated, secured, long term privately placed Sukuk certificates. Pak Brunei Investment Company Limited is the trustee while Faysal Bank Limited is acting as shariah structuring advisor for this Sukuk arrangement. The Sukuk's original tenure was six years, and carries profit of 03-month KIBOR plus 1% (2023: 3-month KIBOR plus 1%) per annum payable quarterly. The Sukuk is secured by way of first mortgage charge on Pearl Continental Hotel, Lahore with 25% margin and hypothecation on all the present and future assets (excluding land and building) of Pearl Continental Hotel, Lahore. During the year, the Parent Company made payments towards deferred markup and principal balances as required under the terms of restructuring agreement through sale of a non-core property and disinvestment proceeds from a wholly owned subsidiary, however, due to reasons as explained in note 2.4, the Parent Company didn't pay the principal and markup balances as per the enacted repayment schedule and also breached the requried loan covenants as at 30th June 2024, accordingly, the entire outstanding obligation has been classified as a current liability in the consolidated financial statements. Subsequent to the year end, one of the Sukuk participants has served a legal notice of default to the Parent Company and its directors, the details of which are further explained in note 40.5.1(iii)

8.6 This represents 279 million convertible, cumulative, redeemable and privately placed preference shares (the preference shares) of Rs. 100 each amounting to Rs. 279 million under the Share Subscription Agreement (the agreement) issued by the subsidiary Company. Each holder of the preference shares shall have the right to receive dividends at a fixed rate of 15% per annum, on a cumulative basis. The dividend is payable subject to the profitability of the subsidiary Company. The right of dividend shall terminate and cease automatically upon either full conversion or redemption of preference shares. Preference shares will be convertible only at the option of the investor, into ordinary shares of the subsidiary Company after expiry of 5th year from the issue date. This financing arrangement is secured by hypothecation over all the subsidiary Company's present and future fixed and current assets (excluding land and building). This financing facility is also secured by assigning all the patent rights and receivables of the subsidiary Company.

8.7 This represents the outstanding balance of term finance loan of Rs. 70 million and Rs. 20 million (2023: Rs. 70 million and Rs. 20 million). The loan is repayable in eight equal quarterly installments with grace period of one year. The facility carries markup of of 3-months KIBOR plus 2.75% per annum payable quarterly. This long-term financing facility is secured by way of first pari passu hypothecation charge on all present and future current & fixed / tangible & intangible / movable & immovable assets, lenience, rights, intellectual rights / properties / patents / of a subsidiary Company and pledge shares equivalent to the facility amount with 50% margin and personal guarantee of a Director of the Parent Company and Director of a subsidiary Company.

8.8 This represents financing obtained from Parwaaz Financial Services Limited amounts to Rs. 45 million during the year. The loan is subject to an interest rate of 12.5% and has a maturity period of three years. Collateral provided for the loan includes a lien over 20% of the loan amount held in a UBL Bank account, a personal guarantee of Director of the Parent Company and a charge over Parent Company shares held by the director.

8.9 Since the Parent Company couldn't comply with the terms of restructuring agreement as at 30th June 2024, these outstanding obligations are classified as current as the Parent Company lacks a contractual right to defer settlement beyond 12 months after the reporting date. Had the corrective measure been in place as at the reporting date, the current portion would have amounted to Rs 4.06 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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		Note	2024	2023
			(Rupees'000)	
9	LEASE LIABILITIES			
	Lease liabilities - Vehicles	9.1	82,912	109,514
	Lease liabilities - Land and rental spaces		252,325	290,556
		9.2	335,237	400,070
			335,237	400,070
	Current portion		143,642	151,161
	Non current portion		191,595	248,909

9.1 This represents outstanding balance of lease facilities availed from financial institutions and carries mark-up of 3-month KIBOR plus 0.9% to 1.5% (2023: 3-month KIBOR plus 1%) per annum payable quarterly. The facility is secured by way of ownership of leased assets.

		2024	2023
9.2	Maturity of Lease liabilities is follows	(Rupees'000)	
	Not later than one year	174,280	183,624
	Later than one year and not later than five years	167,637	248,749
	Later than five year	409,366	410,105
		751,283	842,478
	Imputed interest	(416,046)	(442,408)
		335,237	400,070
9.3	Movement of lease liabilities is as follows		
	Balance as at 01 July	400,070	366,244
	Interest expense	54,752	60,001
	Additions	53,223	83,286
	Termination	(5,347)	-
	Payments	(167,461)	(180,534)
	Transfer from Advance for Capex to Lease liability	-	71,073
		335,237	400,070

9.4 The Group has recognised lease rentals in the consolidated statement of profit or loss amounting to Rs. 27.14 million (2023: Rs. 34.34 million) relating to short term leases.

9.5 The Group has recognised variable lease consideration Rs. 15.260 million (2023: Rs. 0.910 million) in the consolidated statement of profit or loss on account of lease rental under franchise arrangement.

9.6 The current payable amount to related party is Rs. 4.0 million (2023: Rs. 7.6 million).

		Note	2024	2023
10	EMPLOYEE BENEFITS		(Rupees'000)	
	Net defined benefit liability - gratuity	10.1.1	976,635	895,983
	Net defined benefit liability - compensated leave absences	10.2.1	165,270	146,962
			1,141,905	1,042,945

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10.1 Net defined benefit liability - gratuity

The Group operates an unfunded gratuity scheme for its eligible employees details of which are as follows:

		Note	2024	2023
			(Rupees'000)	
10.1.1	**Movement in net defined liability - gratuity**			
	Present value of defined benefit obligation		**895,983**	816,984
	Included in consolidated statement of profit or loss	10.1.3	**200,797**	157,269
	Benefits paid		**(74,591)**	(57,894)
	Benefits due but not paid		**(15,104)**	(16,206)
	Included in consolidated statement of comprehensive income	10.1.4	**(30,450)**	(4,170)
	Balance at 30 June		**976,635**	895,983
10.1.2	**Reconciliation of liability recognised in the consolidated statement of financial position**			
	Present value of defined benefit liability		**976,635**	895,983
	Net defined benefit liability		**976,635**	895,983
10.1.3	**Included in consolidated statement of profit or loss**			
	Current service cost		**67,881**	60,474
	Interest cost		**132,915**	96,795
			200,797	157,269
10.1.3.1	**Expense is recognized in the following line items in consolidated statement of profit or loss**			
	Cost of sales and services		**131,895**	97,203
	Administrative expenses		**68,902**	60,066
			200,797	157,269
10.1.4	**Included in consolidated statement of comprehensive income**			
	Actuarial gain from changes in financial assumptions		**(37,744)**	(28,592)
	Experience adjustments on defined benefit liability		**7,294**	24,422
			(30,450)	(4,170)

10.1.5 Actuarial assumptions

The latest actuarial valuation was carried out on 30 June 2024 using projected unit credit method with the following key assumptions:

	Note	2024	2023
Significant assumptions			
Discount rate		**14.75%**	16.25%
Expected increase in eligible salary		**14% - 14.75%**	12% - 15.25%
Other assumptions			
Mortality rate	10.1.5.1	**SLIC 2001-2005**	SLIC 2001-2005
Withdrawal rate		**Age - based**	Age - based
Retirement assumption		**Age-60**	Age-60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10.1.5.1 Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

10.1.5.2 **Sensitivity analysis of significant assumptions**

For a change of 100 basis points, present value of defined benefit liability at reporting date would have been as follows:

	2024		2023	
	Increase	Decrease	Increase	Decrease
	(Rupees'000)		(Rupees'000)	
Discount rate	910,520	1,007,542	806,308	896,020
Salary increase rate	1,008,186	909,108	896,591	805,038

10.1.6.1 Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

10.1.6.2 The Group's expected charge for the defined benefit liability - gratuity for the next year is Rs. 208.64 million.

10.1.7 **Risk associated with defined benefit liability- gratuity**

10.1.7.1 **Salary risk - (linked to inflation risk)**

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

10.1.7.2 **Demographic risks**

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

10.1.7 **Expected benefit payments for the next 10 years and beyond;**

	2024	2023
Years	(Rupees '000)	
FY 2024	-	32,569
FY 2025	69,274	77,957
FY 2026	99,244	106,769
FY 2027	132,034	106,690
FY 2028	137,175	123,228
FY 2029	292,798	120,099
FY 2030	227,759	271,796
FY 2031	257,446	207,259
FY 2032	188,518	233,666
FY 2033	260,094	151,475
FY 2034	231,557	-
FY 2034 onward	-	2,477,143
FY 2035 onward	2,999,804	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10.2 Net defined benefit liability - compensated leave absences

The Group operates an unfunded compensated leave absences scheme covering all eligible employees details of which are as follows:

		Note	2024 (Rupees'000)	2023 (Rupees'000)
10.2.1	**Movement in defined benefit liability compensated leave absences**			
	Balance at 01 July		146,962	128,315
	Included in consolidated statement of profit or loss	10.2.3	47,619	50,274
	Payments made during the year		(27,707)	(29,433)
	Benefits due but not paid		(1,604)	(2,194)
	Balance at 30 June		165,270	146,962
10.2.2	**Reconciliation of liability recognised in the consolidated statement of financial position**			
	Present value of defined benefit liability		165,270	146,962
10.2.3	**Included in consolidated statement of profit or loss**			
	Current service cost		30,491	31,135
	Interest cost		21,281	14,724
	Experience adjustments on defined benefit liability		1,019	4,415
	Plan settlement		(5,172)	-
			47,619	50,274
10.2.3.1	**Expense is recognized in the following line items in consolidated statement of profit or loss**			
	Cost of sales and services		18,854	19,658
	Administrative expenses		28,765	30,616
			47,619	50,274
10.2.4	**Actuarial assumption**			
	Significant assumptions			
	Discount rate		14% - 14.75%	16.25%
	Expected increase in eligible salary		14% - 14.75%	12% - 15.25%
	Mortality rate	10.2.4.1	SLIC 2001-2005	SLIC 2001-2005
	Withdrawal rate		Age - based	Age - based
	Retirement assumption		Age-60	Age-60

10.2.4.1 Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

10.2.5 Sensitivity analysis

For a change of 100 basis points, present value of defined benefit liability at reporting date would have been as follows:

	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
	(Rupees'000)	(Rupees'000)	(Rupees'000)	(Rupees'000)
Discount rate	152,871	176,556	135,746	156,436
Salary increase rate	176,771	152,477	156,160	135,832

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10.2.5.1 Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

10.2.6 Risk associated with defined benefit liability- compensated leave absences

10.2.6.1 Salary risk- (linked to inflation risk)

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

10.2.6.2 Demographic risks

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

11 OTHER LIABILITIES	Note	2024	2023
		(Rupees'000)	
Other liabilities	11.1	221,497	141,960
Current portion		11,245	-
Non current portion		210,252	141,960

11.1 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, further the Parent 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.

12 DEFERRED TAX LIABILITY

	Net balance at 01 July 2023	Impact of change in accounting policy	Recognized in Profit or loss (Note 40)	Recognized in Other comprehensive income	Net balance at 30 June 2024
2024			(Rupees'000)		
Taxable temporary differences					
Accelerated depreciation for tax purposes	959,503	-	81,726	-	1,041,229
Exchange translation reserve	748,469	-	(185,904)	(3,127)	559,438
Unrealized gain on fair value change of long term investment	72,827	-	(32,309)	(5,614)	34,904
Deductible temporary differences					
Net defined benefit liability - gratuity	336,494	-	(52,347)	12,168	376,673
Net defined benefit liability - vacation pay	56,655	-	(6,571)	-	63,226
Impairment loss on trade debts	135,781	-	(34,094)	-	169,875
Unadjusted depreciation losses	491,453	-	-	-	491,453
Provision for obsolescence - inventory	1,450	-	-	-	1,450
Short term investment	273	-	-	-	273
Lease liability	125,686	-	1,133	-	124,553
	1,147,792	-	(91,879)	12,168	1,227,503
	633,007	-	(228,366)	3,427	408,069

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	Net balance at 01 July 2022	Impact of change in accounting policy	Recognized in Profit or loss (Note 40)	Recognized in Other comprehensive income	Net balance at 30 June 2023
2023			(Rupees'000)		
Taxable temporary differences					
Property, plant and equipment	705,859	-	253,644	-	959,503
Equity accounted investments	436,718	-	25,203	286,547	748,469
Unrealized gain on fair value change	16,801	-	51,329	4,699	72,827
Deductible temporary differences					
Net defined benefit liability - gratuity	228,021	-	(110,210)	1,737	336,494
Net defined benefit liability - vacation pay	36,968	-	(19,687)	-	56,655
Impairment loss on trade debts	143,067	-	7,286	-	135,781
Unadjusted depreciation losses	446,878	-	(44,575)	-	491,453
Provision for obsolescence - inventory	1,096	-	(354)	-	1,450
Short term investment	1,740	-	1,467	-	273
Lease liability	97,198	-	(28,488)	-	125,686
	954,967	-	(194,561)	1,737	1,147,792
	204,411	-	135,613	292,983	633,007

13 SHORT TERM BORROWINGS - secured	Note	2024	2023
		(Rupees'000)	
Running finance facilities - from banking companies- secured	13.1	1,765,753	1,531,622
Short term loan - unsecured	13.2	253,923	963,934
Short term loan		5,000	-
Mark-up accrued		99,473	81,404
		2,124,149	2,576,960

13.1 These facilities are obtained from various commercial banks with an aggregate limit of Rs. 1,820 million (2023: Rs. 1,830 million) which are secured against pari passu equitable mortgage charge and all present and future fixed assets and hypothecation charge on all present and future current assets of Pearl Continental Hotel Karachi and Rawalpindi and lien on certain listed securities and TFCs held by the Parent Company. These facilities carry mark-up rates ranging from 1-month KIBOR to 3-month KIBOR plus 0.6% to 1.5% (2023: 1-month KIBOR to 3-month KIBOR plus 0.6% to 1.5%) per annum.

13.2 This includes an amount of Rs. 11.70 million (2023: Rs. 586.72 million) due to directors of the Parent Company and an amount of Rs. 25.18 million (2023: Rs. 110.16 million) due to director of a subsidiary Company. During the year, one of the Parent Company's director settled its due amount of Rs. 515.77 million as consideration against certain restructurings in the Group which are detailed in Note 41.

13.3 The Group has unutilised running finance facilities aggregating to Rs. 54.24 million (2023: Rs.298.40 million) at the year end.

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14	TRADE AND OTHER PAYABLES	Note	2024	2023
			(Rupees'000)	
	Creditors		1,709,342	1,834,296
	Accrued liabilities		1,017,029	850,675
	Shop deposits	14.1	50,895	50,795
	Retention money		149,747	149,167
	Due to related parties - unsecured		78,475	62,471
	Sales tax payable		246,855	218,507
	Income tax deducted at source		115,232	76,466
	Un-earned income		35,339	37,700
	Payable to provident fund		8,093	7,877
	Other liabilities	14.2	360,109	419,477
			3,771,116	3,707,432

14.1 As per terms of written agreement with customers, the amount of shop deposits are fully utilizable by the Parent Company and have been utilized for business purpose.

14.2 This includes amount of Rs. 8.04 million (2023: Rs. 20.71 million) payable to director of the Parent Company.

15 UNPAID DIVIDEND

As per the provision of Section - 242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August, 2017, cash dividend will only paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provided their valid bank accounts details.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 For legal and tax related contingencies, refer to note 40.5.

16.2	Guarantees	2024	2023
		(Rupees'000)	
	Guarantees issued by banks on behalf of the Group	351,246	330,336

16.2.1 This also includes guarantee of Rs.7 million on behalf of wholly owned subsidiary Company.

16.2.2 The Group has also issued a corporate guarantee amounting to Rs. 630 million (2023: 630 million) to a financial institution on behalf of Pak Vitae (Private) Limited, a subsidiary Company of the Group.

16.3	Commitments	Note	2024	2023
			(Rupees'000)	
	Commitments for capital expenditure		3,007,411	2,915,776

16.3 .1 Due to reasons explained in note 2.4, the Parent Company intends to re-negotiate the timing of capital expenditure.

17	PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
	Operating fixed assets	17.1	44,631,625	42,705,243
	Capital work in progress	17.2	10,099,334	3,871,370
			54,730,960	46,576,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17.1 OPERATING FIXED ASSETS

17.1.1 Reconciliation of carrying amount

	Owned							Leased	Right of use asset		Total
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Furniture, fixtures, fittings and office equipment	Computers	Vehicles	Land and rental spaces	Vehicles	
Cost / Revalued amounts	Rupees'000										
Balance at 01 July 2022	21,287,780	16,700,430	2,947,391	2,463,658	5,431,633	3,936,165	795,766	415,434	321,689	166,922	54,466,868
Additions	-	-	-	-	48,426	28,106	35,630	31,744	76,054	91,138	311,098
Disposals	-	-	-	-	(7,906)		(2,454)	(98,535)	-	-	(108,895)
Transfer	-	-	-	-	-	-	-	55,255	-	(55,255)	-
Lease termination	-	-	-	-	-	-	-	-	(24,997)		(24,997)
Transfer from CWIP	-	-	350,408	418,457	236,064	157,057	588	-	-	-	1,162,574
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Transfer from non-current asset	-	-	-	-	-	-	-	-	-	-	-
Transfer to non-current asset held for sale	(3,660,000)		(128,739)	-	-	-	-	(3,389)	-	-	(3,792,128)
Balance at 30 June 2023	17,627,780	16,700,430	3,169,060	2,882,115	5,708,217	4,121,328	829,530	400,509	372,746	202,805	52,014,520
Balance at 01 July 2023	17,627,780	16,700,430	3,169,060	2,882,115	5,708,217	4,121,328	829,530	400,509	372,746	202,805	52,014,520
Additions	-	-	-	-	72,552	10,961	16,120	2,065	33,785	21,597	157,080
Disposals	-	-	-	-	(7,357)	(7,228)	1,676	(33,560)	-	(15,610)	(62,079)
Impact of subsidary disposal	-	-	-	-	-	(6,734)	(7,732)	(25)	-	-	(14,491)
Transfer from CWIP (refer note 17.2)	-	-	254,613	1,064,584	238,936	319,126	-	-	-	-	1,877,259
Lease termination	-	-	-	-	-	-	-	-	(17,611)	-	(17,611)
Transfer	-	-	-	-	-	-	-	56,470	-	(56,470)	-
Revaluation surplus (note 17.1.3)	510,000	-	-	-	-	-	-	-	-	-	510,000
Transfer from non-current asset held for sale	360,000	-	-	-	-	-	3,300	-	-	-	363,300
Transfer to non-current asset held for sale	-	-	-	-	-	-	-	-	-	-	-
	18,497,780	16,700,430	3,423,673	3,946,699	6,012,348	4,437,453	842,894	425,459	388,920	152,322	54,827,978
Accumulated depreciation											
Balance at 01 July 2022	-	-	981,456	970,290	3,422,754	2,168,215	612,351	232,489	55,573	59,400	8,502,528
Depreciation (refer note -17.1.6)	-	-	104,133	83,181	288,862	257,728	53,002	22,087	86,734	26,956	922,683
Transfer to CWIP	-	-	-	-	-	-	-	-	1,154	-	1,154
Disposals	-	-	-	-	(7,267)	-	(1,545)	(59,499)	-	-	(68,311)
Transfer	-	-	-	-	-	-	-	21,909	-	(21,909)	-
Lease termination	-	-	-	-	-	-	-	-	(24,997)	-	(24,997)
Transfer to non-current asset held for sale	-	-	(22,497)	-	-	-	-	(1,284)	-	-	(23,781)
Balance at 30 June 2023	-	-	1,063,092	1,053,471	3,704,349	2,425,943	663,808	215,702	118,464	64,447	9,309,276
Balance at 01 July 2023	-	-	1,063,092	1,053,471	3,704,349	2,425,943	663,808	215,702	118,464	64,447	9,309,276
Depreciation (refer note -17.1.6)	-	-	109,837	108,342	290,032	250,389	44,329	20,414	95,841	23,884	943,068
Transfer to CWIP	-	-	-	-	-	-	-	-	1,154	-	1,154
Disposals	-	-	-	(1,000)	(6,845)	(1,102)	(1,192)	(22,538)	-	(5,750)	(38,427)
Impact of subsidary disposal	-	-	-	-	-	(2,393)	(1,430)	(8)			(3,831)
Transfer	-	-	-	-	-	-	-	37,305	-	(37,305)	-
Lease termination	-	-	-	-	-	-	-	-	(14,888)	-	(14,888)
Transfer to non-current asset held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	-	-	1,172,929	1,160,813	3,987,536	2,672,837	705,515	250,875	200,571	45,276	10,196,352
Carrying amount - 30 June 2023	17,627,780	16,700,430	2,105,968	1,828,644	2,003,868	1,695,385	165,722	184,807	254,282	138,358	42,705,243
Carrying amount - 30 June 2024	18,497,780	16,700,430	2,250,744	2,785,886	2,024,812	1,764,616	137,379	174,584	188,349	107,046	44,631,625
Rates of depreciation per month/useful life (2024 and 2023)	-	-	5%	5%	15%	15%	30%	15%	1.5 - 40 years	15%	

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17.1.2 The operating fixed assets are secured against various loans availed by the Parent Company. Refer note 8 and 13.

17.1.3 **Revaluation surplus on property, plant and equipment**

"Freehold and leasehold land other than land of Pearl Continental Multan were last revalued on 30 June 2022. The independent valuation exercise was carried out by an accredited valuer and was based on market research carried out in the vicinity of the property to ascertain pricing ranges for similar assets from multiple sources i.e., market approach. The fair value of Pearl Continental Multan land was carried out as at 30 June 2024 due to re-classification from non-current assets held for sale (refer note 29.2) and accordingly resulted in a revaluation gain of Rs. 510 million. The fair value of the property fell under level 2 hierarchy as per IFRS – 13 'Fair value measurements' as the pricing sources are gathered through market corroborated inputs. These pricing ranges are then scanned for the most comparable source based on usage characteristics and area/location among other factors resulting in a range of Rs. 1.5 million to Rs. 3.5 million. Other pricing adjustments are then incorporated based on factors such as corner preference premium of 10%, property access and location premium of 15%, land usage premium of 50-100%, negotiations discount of 10% & a size discount factor of 5-10%. The adjustments made to observable pricing sources derived from similar assets are not significant to the entire fair value measurement resulting in a level 2 categorization. Management doesn't expect any further material change in the revalued amounts of other properties.

Had the aforementioned revaluation not been carried out, the book value of freehold and leasehold land would have been Rs. 460.90 million (2023: Rs. 244.34 million). "

17.1.4 The forced sale value of the revalued land has been assessed at Rs. 28,112 million (2023: Rs. 27,459 million).

17.1.5 Particulars of business units and immovable fixed assets (i.e. land and building) of the Parent Company are as follows:

Location	Address	Particular	Land area (Sq. yards)
Karachi	Plot No. 11, CL 11, Club Road - hotel property	Land and building	23,255
Lahore	Upper Mall - hotel property	Land and building	74,440
Lahore	Defence Housing Authority (refer note 16.1.7)	Building	
Rawalpindi	Property No.253, Survey No. 559, The Mall Road - hotel property	Land and building	26,668
Multan	Askari By-Pass Road, Mouza Abdul Fateh - hotel property under construction	Land and under Construction building	8,303
Hunza	Mominabad	Land	24,107
Gilgit	Airport Road	Land	16,375
Chitral	Zargarandeh	Land	11,464
Bhurban	Compartment No. 08, at Bhurban Tehsil, Murree - hotel property	Building	-
Muzaffarabad	Upper Chattar, Muzaffarabad. - hotel property	Building	-
Mirpur	Village Bhurban Tehsil & District, Mirpur (AJK) - hotel property under construction	Under construction building	-
Hunza	Nasserabad, Hunza	-	-
Karachi	First floor, Cotton exchange building, I.I Chundrigar Rd, Karachi	-	-

17.1.6 **Depreciation charge has been allocated as follows:**

	Note	2024	2023
		(Rupees'000)	
Cost of sales and services	34	**758,707**	747,212
Administrative expenses	36	**184,361**	173,157
		943,068	920,369

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17.1.7 The Parent Company constructed building for spa and saloon facility under an agreement of absolute transfer and assignment agreement with Nirvana, a partnership firm - a related party . As per the term of the said agreement Nirvana will use two floors of this building. Since completion certificate from Defence Housing Authority Lahore (DHAL) has not been obtained yet, therefore the transfer of title of the property is pending. The carrying value of this building is Rs. 72.178 million.

17.1 .8 **Detail of disposal of operating fixed assets:**

Description	Cost	Carrying value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Purchaser	Relationship with purchaser
	(Rupees'000)						
Plant & Machinery	7,357	512	2,830	2,318	Auction	Fahad Khan & Co	Fahad Khan & Co (Auction)
Vehicle	1,516	678	686	9	Group Policy	Mr. Owais Arif	Employee
Vehicle	1,291	1,167	1,167	-	Group Policy	Faisal Naeem Khan	Employee
Vehicle	881	720	3,155	2,435	Auction	Tahir Mahmood	Employee
Vehicle	999	628	799	172	Group Policy	Zia Ul Haq	Employee
Vehicle	999	628	2,110	1,482	Group Policy	Khurram Shahzad	Employee
Vehicle	2,555	1,379	1,379	-	Group Policy	Syed Imtiaz Hussain Shah	Employee
Vehicle	1,376	832	1,171	339	Auction	Syed Sulaiman Tahir	-
Vehicle	1,003	607	2,101	1,495	Group Policy	Muhammad Zubair	Employee
Vehicle	1,033	609	803	194	Auction	Syed Irfan Haider Rizvi	Employee
Vehicle	2,361	852	2,701	1,849			
Vehicle	2,017	728	3,482	2,754			
Vehicle	3,917	3,244	4,000	756			
Vehicle	11,080	5,265	12,700	7,435	Group Policy		
Aggregate of other items with individual book values not exceeding Rs. 500,000	23,693	5,803	55,480	49,677			
2024	**62,079**	**23,652**	**94,565**	**70,913**			
2023	108,895	40,584	93,369	52,785			

17.2 Capital work in progress	Note	2024	2023
		(Rupees'000)	
Balance at 01 July		**3,871,370**	3,730,842
Additions during the year		**2,143,904**	1,345,749
Transfers to operating fixed assets		**(1,877,259)**	(1,162,574)
Transfers to asset held for sale	29.2	**5,961,319**	(42,647)
Balance at 30 June		**10,099,334**	3,871,370
17.2.1 Construction of Pearl Continental Hotel Mirpur	17.2.2	**3,664,299**	3,654,757
Construction of Pearl Continental Hotel Multan	17.2 .3	**5,961,319**	-
Other civil works		**473,716**	216,613
		10,099,334	3,871,370

17.2.2 This also includes capitalized borrowing cost amounting to Rs. 507.46 million (2023: Rs. 507.46 million). During the year, no borrowing cost is capitalized on account of suspension of work.

17.2 .3 This represents carrying amount of asset held for sale (PC Multan) which has been transferred from non-current assets held for sale at year end, as further described in note 29.2. This also includes capitalized borrowing cost amounting to Rs. 2,281 million (2023: Rs. 1,684 million). During the year, borrowing cost amounting to Rs. 597 million is capitalized at the rate of 22.72% (2023: Rs. 699.45 million at the rate of 15.98%).

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18 ADVANCES FOR CAPITAL EXPENDITURES

	Note	2024 (Rupees'000)	2023 (Rupees'000)
Advance for purchase of land	18.1	668,820	668,820
Advance for purchase of Malir Delta Land	18.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,010,476	1,010,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		16,549	45,803
Advances for Pearl Continental Multan Project		15,912	-
Advances for Pearl Continental Mirpur Project		133,215	133,215
		165,676	179,018
		1,176,152	1,189,494

18.1 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 filed an appeal in the Honourable 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. During the current year, the Honarable Islamabad High Court vide order dated 13 December 2023 has decided the matter in favor of the Parent Company

18.2 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 Honourable Supreme Court of Pakistan and presently the matter is pending adjudication before the Apex Court and Group is diligently pursuing the same. The Parent Company based on the legal advice believes that the chances of an unfavorable outcome is low. 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, accordingly, no provision has been recognized in these consolidated financial statements.

18.3 This represents amount paid to a related party of the Company on account of project management services amounting to Rs. 15.91 million (2023: Nil).

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		Note	2024	2023
19	INTANGIBLE ASSET		(Rupees'000)	
	Project under development		-	586,394
	Software		67,510	91,453
			67,510	677,847
19.1	**Cost**			
	Opening balance		789,462	712,432
	Additions		8,755	63,544
	Impact of subsidiary disposal		(377,268)	-
	Other adjustments		(1,806)	-
	Impairment	19.2	(216,074)	13,486
	Closing balance		203,069	789,462
	Accumulated amortisation			
	Opening balance		111,615	77,320
	Amortisation charge		23,944	34,295
	Closing balance		135,559	111,615
	Net book value			
	Cost		203,069	789,462
	Accumulated amortisation		135,559	111,615
	Closing balance		67,510	677,847
	Amortisation rate per annum			
	Project under development		5% to 10%	5% to 10%
	Software		30%	30%

19.2 This represents development cost previously capitalized by a subsidiary Company in relation to the development of Estoterik resistive Hollow Fiber Membrane (ERM) technology. During the year, management of the subsidiary Company re-assessed the projects feasibility in light of the impairment indicators over its expected cashflows. The project is no longer deemed to be viable, accordingly, the entire development cost has been recognized as an impairment loss in these consolidated financial statements.

		Note	2024	2023
20	INVESTMENT PROPERTY		(Rupees'000)	
20.1	Reconciliation of carrying amount			
	Balance at 01 July		80,000	80,000
	Decrease in fair value	20.2	(8,000)	-
	Balance at 30 June	20.1.1	72,000	80,000

20.1.1 This represents piece of land, located at Gwadar, owned by the Parent Company held for capital appreciation. On 30 June 2024, an independent valuation exercise was carried out by an accredited valuer and was based on market research carried out in the vicinity of the property to ascertain pricing ranges for similar assets from multiple sources i.e., market approach. The fair value when determined fell under level 2 hierarchy as per IFRS – 13 'Fair value measurements' as the pricing sources are gathered through market corroborated inputs. These pricing ranges are then scanned for the most comparable source based on usage characteristics and area/location among other factors resulting in a range of Rs. 66 million to Rs. 75 million. Other pricing adjustments are then incorporated based on factors such as corner preference premium of 7%, property access and location premium of 15%, land size discount of 10% & negotiations discount of 10%. The adjustments made to observable pricing sources derived from similar assets are not significant to the entire fair value measurement resulting in a level 2 categorization.

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Particulars of Investment Property and Forced sale value are as follows:

Location	Area (Sq. yards)	FSV Rs. '000'
Khasra no. 59 min, khewat no.12, and khatooni no. 12, katat 20, mouza ankara north, tehsil & district Gwadar, Balochistan	484,000	57,600

20.2 Changes in fair value are recognised as gains/(losses) in consolidated statement of profit or loss and included in other income. All changes in fair value of investment property are unrealised.

	Country of incorporation / Jurisdiction	Amount in Foreign Currency	Percentage of holding	Note	2024 (Rupees'000)	2023 (Rupees'000)
21 LONG TERM INVESTMENTS						
Associated undertaking - unquoted						
Hashoo Group Limited	British Virgin Island	$9,800,000	14%	21.1	-	-
Hotel One (Private) Limited	Pakistan		17.85%	21.2	-	-
Associated undertaking - quoted						
Jubilee General Insurance Company Limited - an associated company	Pakistan	-	7.6%	21.3 & 21.3.1	687,035	414,058
Associated undertaking - unquoted						
Foree pay (Private) Limited	Pakistan		30%	21.4	-	-
					687,035	414,058
Investment in jointly controlled entity - unquoted						
Pearl Continental Hotels Limited	United Arab Emirates	$4,750,000	50%	21.5	-	-
Other investments						
Fair value through other comprehensive income - unquoted companies						
Malam Jabba Resorts Limited					1,000	1,000
Impairment loss					(1,000)	(1,000)
Zaver Petroleum Corporation (Private) Limited				21.7	391,132	689,718
Hashoo Resource Management (Private) Limited				21.8	279,228	-
					670,360	689,718
					1,357,395	1,103,776

21.1 Hashoo Group Limited

The Parent Company holds 98,000 (2023: 98,000) ordinary shares of US$ 100 each in Hashoo Group Limited (HGL). HGL is treated as an 'associate' due to the Parent Company's significant influence over it due to common directorship. Due to prevailing political turmoil, unrest, law and order situation in Libya, this investment has been fully impaired.

This is an equity investment therefore period of investment is not specific, the Parent Company has not received any return from this investment and no default / breach is made.

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Beneficial owner of Hashoo Group Limited are:

Name	Address
Pakistan Services Limited	1st Floor Nespak House Islamabad, Pakistan
Saladale investments INC.	53rd street 16th Floor Panama, the republic of Panama

21.2 Hotel One (Private) Limited

The Parent Company holds 500,000 (2023: 500,000) ordinary shares of Rs.100 each in Hotel One (Private) Limited (HOPL). HOPL is treated as an 'associate' due to the Parent Company's significant influence over it due to common directorship. This investment was fully impaired based on prudence, considering the accumulated losses incurred in previous year

21.3 Jubilee General Insurance Company Limited

The Parent Company holds 15,056,661 (2023: 15,056,061) ordinary shares of Rs.10 each in Jubilee General Insurance Company Limited (JGIL). JGIL is treated as an 'associate' due to the Parent Company's significant influence over it due to common directorship. Carrying value of Jubilee General Insurance is restricted to the extent of quoted fair value of investment. Out of total shares held by the Group, 15,000,000 (2023: 15,000,000) ordinary shares are placed / lien marked as security against running finance facility of the Group.

21.3.1 Investment in Associated Undertakings	Note	2024	2023
		(Rupees'000)	
Cost of investment		1,534,082	2,084,082
Addition	21.4	6,932	-
Disinvestment		-	(550,000)
		1,541,014	1,534,082
Share of equity brought forward		3,161,158	2,376,837
Share of profit for the year - net		261,541	158,030
Share of other OCI items of associates		111,435	(28,053)
Share of experience adjustments on defined benefit obligation of associate		-	(83)
Share of exchange translation reserve for the year		(106,610)	826,658
Impact of disinvestment		-	(112,004)
Dividend received		(75,283)	(60,227)
		3,352,241	3,161,158
Impairment losses			
Opening balance		(4,281,182)	(3,330,654)
Resversal / (loss) recognised during the year		74,962	(950,528)
		(4,206,220)	(4,281,182)
		687,035	414,058

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21.3.1.3 **Summarised financial information of associate and group share is as follows:**

	Hashoo Group Limited 2024	Hashoo Group Limited 2023	Hotel One (Pvt) Limited 2024	Hotel One (Pvt) Limited 2023	Jubilee General Insurance 2024	Jubilee General Insurance 2023	Foreepay (Pvt) Limited 2024	Foreepay (Pvt) Limited 2023
	(Rupees'000)							
Non current assets	20,458,037	21,231,598	362,602	278,142	23,064,791	17,647,356	421,691	-
Current assets	274,199	291,210	334,563	327,663	23,139,669	20,730,801	42,648	-
Non current liabilities	-	-	144,687	-	8,639,006	16,377,411	5,876	-
Current liabilities	679,228	711,249	237,778	273,851	20,266,769	8,776,385	204,800	-
Net assets	20,053,008	20,811,559	314,700	331,954	17,298,685	13,224,361	253,663	-
Group share in net assets	2,807,421	2,913,618	56,174	59,254	1,312,105	1,003,068	6,932	-
Impairment	(2,792,507)	(2,904,892)	(83,225)	(81,858)	(1,348,112)	(1,312,052)	(6,932)	-
Other adjustments	(14,914)	(8,726)	27,051	22,604	9,826	9,826	-	-
Goodwill	-	-	-	-	709,299	709,299	-	-
Carrying amount of interest	-	-	-	-	3,917	3,917	-	-
in associate	-	-	-	-	687,035	414,058	-	-
Revenues	-	-	660,413	660,413	9,427,452	9,427,452	-	-
Expenses	44,970	37,823	(635,277)	(635,277)	(7,340,478)	(7,340,478)	-	-
Profit / (loss)	44,970	37,823	25,136	25,136	2,086,974	2,086,974	-	-
Group share of profit / (loss)	(6,296)	(5,295)	4,487	4,487	158,297	158,297	-	-

21.4 This represents investment in Foreepay (Private) Limited ('Foreepay'), an associated Company of the Group. Foreepay which was a subsidiary Company of the Group till 31 December 2023, with 99.99% shareholding rights / ownership. The Group's shareholding in Foreepay decreased to 30% during the year resulting in a loss of control over the investor Company, resultantly, Foreepay (Private) Limited has been classified as a discontinuing operations (Refer note 41). The retained investment is now carried under the equity method and the Group's share of loss of Foreepay for the period from 01 January 2024 to 30 June 2024 amounted to Rs. 13,653,423. However, the share of loss of Foreepay has been recognised to the extent of cost of investment. The remaining share of loss amounting to Rs. 6,721,206 will be adjusted against any future share of profit from associate.

21.5 **Pearl Continental Hotels Limited**

The Parent Company holds 95 (2023: 95) ordinary shares of US $ 50,000 each in Pearl Continental Hotels Limited - UAE (PCHL - UAE) which represents 50% interest in PCHL - UAE, a jointly controlled entity of the Parent Company and Hashwani Hotels Limited, a related party. Due to economic meltdown in year 2007-08, PCHL - UAE incurred losses and consequently the investment was fully impaired, however, the Parent Company is putting all its efforts to recover the investment.

This is an equity investment therefore period of investment is not specific, the Parent Company has not received any return from this investment, during the term of investment no default/breach is made.

Beneficial owner of Pearl Continental Hotels Limited are:

Name	**Address**
Pakistan Services Limited	1st Floor Nespak House Islamabad
Hashwani Hotels Limited	Karachi Marriott Hotel, 9 Abdullah Haroon Road, Civil Lines

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		2024	2023
21.5 .1	**Investment in jointly controlled entity**	(Rupees'000)	
	Cost of investment	284,052	284,052
	Share of equity brought forward	281,789	123,382
	Share of loss for the year	(3,130)	(3,029)
	Share of exchange translation reserve for the year	(25,671)	161,436
		(28,801)	158,407
		537,040	565,841
	Impairment losses		
	Opening balance	(565,841)	(407,434)
	Reversal / (loss) recognised during the year	28,801	(158,407)
		(537,040)	(565,841)
21.5 .2	**Summarised financial information of jointly controlled entity is as follows:**		
	Non current assets	-	-
	Current assets	1,191,797	1,248,283
	Current liabilities	111,012	109,895
	Net assets	1,080,785	1,138,388
	Group share of net assets	540,393	569,194
	Opening balance of Impairment	(565,841)	(407,434)
	Impairment loss recognized during the year	28,801	(158,407)
	Other adjustments	(3,354)	(3,354)
	Carrying amount of interest in jointly controlled entity	-	-
	Revenues	-	-
	Expenses	(6,259)	(6,057)
	Loss	(6,259)	(6,057)
	Group share of loss	(3,130)	(3,029)

21.6 All the investments in associated companies been made in accordance with the provisions of Section 199 of the Companies Act, 2017 and the rules formulated for this purpose.

21.7 This represents 5,767,055 (2023: 7,882,500) ordinary shares representing 11.26% (2023: 11.26%) shareholding in Zaver Petroleum Corporation (Private) Limited (ZPCPL), a private limited company incorporated in Pakistan. The Company designated this investment at FVOCI because these securities represent investments that the Company intends to hold for the long term. Pursuant to a scheme of reconstruction, compromise and arrangement, 2,115,445 ordinary shares held in ZPCL were swapped for equal number of ordinary shares in Hashoo Resource Management (Private) Limited. The fair value has been computed using the adjusted earnings multiple method wherein the market weighted price earnings multiple of listed Companies operating in the similar sector is detemined which is then adjusted for other marketability risk factors such as illiquidity discount by a factor of 25%. The resulting price earning multiple is applied to adjusted earnings of Zaver Petroleum Corporation (Private) Limited to determine the fair value. The fair value when determined falls under level 3 hierarchy as per IFRS-13 considering the adjustmens made to observable pricing inputs are significant to the entire fair value mearsuments, whereby, a 10% decrease in the determined price earning multiple would result in a corresponding decrease to the carrying value of investment amounting to Rs. 39.11 million as at reporting date.

21.8 This represents 2,115,445 ordinary shares representing 11.26% shareholding in Hashoo Resource Management (Private) Limited (HRMPL), a private limited company incorporated in Pakistan. The Company designated this investment at FVOCI because these securities represent investments that the Company intends to hold for the long term. The fair value of this investment is categorized as level 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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		Note	2024	2023
22	LONG TERM DEPOSITS		(Rupees'000)	
	Deposits	22.1	17,581	50,026
			17,581	50,026

22.1 This includes amount of Rs. Nil (2023: Rs. 0.803 million) of related parties.

		2024	2023
23	ADVANCE AGAINST EQUITY	(Rupees'000)	
	Xoop Technologies (Private) Limited	248,278	248,278
	Impairment allowance	(248,278)	(248,278)
		-	-
	Home Shopping	116,124	116,124
	Impairment allowance	(116,124)	(116,124)
		-	-
		-	-

		Note	2024	2023
24	INVENTORIES			
	Stores		257,904	263,348
	Spare parts and loose tools		96,683	74,303
	Stock in trade - food and beverages		195,604	186,720
			550,191	524,371
	Provision for obsolescence		(3,717)	(3,717)
			546,474	520,654
25	DEVELOPMENT PROPERTIES			
	Land	25.1	470,795	1,855,487
	Advances		-	150,000
			470,795	2,005,487

25.1 Particulars of land included in development properties of the Group are as follows:

Location	Address	Particulars	Landarea (Acres)
Multan	Mouza Kotla Abdul Fateh, Tehsil Multan City	Land	0.87
Islamabad	Plot No 21, Street Apricot, Sector-A, Al Hamra Hills, Country Housing Scheme, Islamabad	Land	2.55

25.1 .1 Land measuring 20 kanal 8 marla at Al-Hamra Hills, Islamabad amounting to Rs. 30 million purchased from Hashwani Hotels Limited, a related party at the time of purchase, possession of land has been handed over to the Group, however, title of the property is in the process of transfer. Management believes that title of the property will be transferred in due course.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26	TRADE DEBTS - Unsecured	Note	2024	2023
			(Rupees'000)	
	Considered good			
	Due from related parties	26.1	55,417	35,023
	Others		846,319	952,617
			901,736	987,640
	Considered doubtful		456,148	354,566
			1,357,884	1,342,206
	Provision against doubtful debts at 01 July		(354,566)	(493,397)
	(Allowance for) / reversal of impairment loss on trade debts		(101,582)	138,831
	Balance at 30 June	26.2	(456,148)	(354,566)
			901,736	987,640

26.1	Due from related parties	Maximum amount outstanding at the end of any month during the year (Rupees '000) 2024	2023	2024	2023
				(Rupees '000)	
	Hashwani Hotels Limited	-	32,191	-	16,534
	Hashoo Foundation	540	558	482	269
	Hashoo Hunar (Pvt) Ltd.	270	82	303	56
	Hashoo School of Hospitality Management (Pvt.) Limited	109	3	12	3
	Hotel One (Private) Limited	888	2,548	10,051	7,332
	Hashoo Holdings (Private) Limited	-	-	202	202
	Jubilee General Insurance Company Limited	121	4,536	66	80
	Orient Petroleum Inc.	-	147	150	-
	Foreepay (Private) Limited	74,400	17,191	43,026	9,784
	Pearl Real Estate Holdings (Private) Limited	208	120	170	110
	Tejari Pakistan (Private) Limited	933	2,849	477	503
	Karakoram Security Services (Pvt) ltd.	31	-	11	-
	Continental Divine Core Developers (Private) Limited	2,515	10	617	-
				55,417	35,023

26.1 .1	Age analysis of due from related parties is as follows:	2024	2023
	Past due by 30 days	27,187	17,180
	Past due by 31 to 90 days	5,512	6,016
	Past due over 91 days	20,337	7,515
	Past due over 1 year	2,381	4,312
		55,417	35,023

26.2 This includes provision of Rs. 5.91 million (2023: Rs. 7.75 million) against doubtful debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27 ADVANCES, PREPAYMENTS, TRADE DEPOSITS AND OTHER RECEIVABLES

	Note	2024	2023
		(Rupees'000)	
Advance to employees	27.1	4,653	29,583
Advance to suppliers and contractors		190,453	99,133
Advance to related parties	27.2	-	1,650
Trade deposits		34,006	22,018
Prepayments	27.3	73,608	72,753
Refundable sales tax		456,636	380,857
Other receivables	27.4	316,717	184,946
		1,076,073	790,940

27.1 These advances are given as per Group policy and are un-secured, interest free and are repayable over varying periods.

27.2 Advance to related parties	Note	2024	2023
		(Rupees'000)	
OPI Gas (Private) Limited		-	1,650
	27.2.1	-	1,650

27.2.1 The advances to related parties are of trade nature and extended for provision of goods and services. These are unsecured and don`t carry interest.

27.3 This includes amount of Rs. 11.62 million (2023: Rs. 19.69 million) of related parties.

27.4 This includes amount of Rs.60.55 million (2023: Nil), Rs. 90 million (2023:Nil) and Rs. 4.675 million (2023: 2.26 million) of Director of the Parent Company, related parties Foreepay Private Limited and Hashoo School of Hospitality Management (Private) Limited respectively, and it is the maximum amount due at the end of any month during the year.

28 SHORT TERM INVESTMENTS

	Note	2024	2023
		(Rupees'000)	
Fair value through other comprehensive income			
National Technology Development Corporation Limited		200	200
Indus Valley Solvent Oil Extraction Limited		500	500
Impairment loss		(700)	(700)
		-	-
Amortized cost			
Term Deposit Receipts	28.1	637,579	637,579
Term Finance Certificate	28.2	75,000	75,000
Interest accrued		4,663	2,652
		717,242	715,231
Financial assets at fair value through profit or loss			
Investment in shares of listed companies	28.3	8,630	6,821
Mutual Fund		3,410	3,703
		729,282	725,755

28.1 This represents term deposit receipts having maturity of one months to one year carrying interest rate ranging from 13.50% to 20% (2023: 6.50% to 14%) per annum.

28.2 This represents investment in 750 number of TFCs having face value of Rs. 100,000/-each and carrying profit at 3-month KIBOR plus 1.60%, these TFCS are pledged as security against running finance facility of the Group (refer to note 13).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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28.3	Investments in shares of listed companies	2024	2023	2024	2023
		No. of ordinary shares of Rs. 10 each		(Rupees'000)	
	Pakistan Telecommunication Company Limited	**350,000**	350,000	**4,204**	2,104
	Lotte Chemical Pakistan Limited	**150,000**	150,000	**2,652**	4,128
	Fauji Fertilizer Bin Qasim Limited	**50,000**	50,000	**1,774**	589
				8,630	6,821

29 NON CURRENT ASSET HELD FOR SALE

		Note	2024	2023
Property		29.1	-	3,766,242
Under construction Hotel Pearl Continental Multan		29.2	-	5,573,462
			-	9,339,704

29.1 This represented Parent Company's property situated at Civil Line Quarters, Abdullah Haroon Road, Karachi. During the year, it has been disposed off under the restructuring agreements with the Parent Company's lenders as a precedent condition (refer note 8). Details of disposal are disclosed in note 29.4.

29.2 During the previous year, management of the Parent Company decided to dispose off this property and entered into negotiations to finalize the sale plan, however due to factors beyond management's control, the disposal could not be made, accordingly, this has been transferred to property, plant and equipment.

29.3	Movement in non-current assets held for sale during year is as follows:	Note	2024	2023
			(Rupees '000)	
	Opening balance		**9,339,704**	7,659,099
	Transfer from operating fixed assets	29.1	-	3,766,242
	Transfer from operating fixed assets		-	2,105
	Additions in		**751,157**	4,205
	Transfer to operating fixed assets	29.2	**(363,300)**	-
	Transfer to / additions in capital work in progress		**(5,961,319)**	1,028,917
			(5,573,462)	4,801,469
	Disposals	29.4	**(3,766,242)**	(3,120,864)
			-	9,339,704

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29.4	Disposed asset	2024	2023
		(Rupees'000)	
	Opening	3,766,242	3,114,554
	Addition during the year	-	6,310
	Disposal	(3,766,242)	(3,120,864)
		-	-

29.4.1 **Detail of disposal:**

Description	Cost / revalue amount	Carrying value	Net - proceeds	Gain	Mode of disposal	Purchaser	Relationship with purchaser
		(Rupees'000)					
Land	3,660,000	3,660,000	4,054,975	394,975	Negotiaion	Bank Alfalah Limited	Third party
Building	106,242	106,242	283,024	176,782	Negotiaion	Bank Alfalah Limited	Third party
Total - 2024	**3,766,242**	**3,766,242**	**4,337,999**	**571,757**			
Total - 2023	3,550,934	3,120,864	3,219,220	98,356			

30	ADVANCE TAX - Net	Note	2024	2023
			(Rupees'000)	
	Balance at 01 July		828,745	577,635
	Income tax (refund) / paid during the year - net		(408,213)	315,500
	Charge for the year	40	39,264	(64,390)
	Balance at 30 June		459,796	828,745

31	CASH AND BANK BALANCES	Note	2024	2023
	Cash in hand		73,584	41,301
	Cash at bank			
	Current accounts - local currency		110,869	130,509
	Current accounts - foreign currency		279	286
	Deposit accounts - local currency	31.1	320,246	199,853
	Deposit accounts - foreign currency	31.2	4,317	14,218
			435,711	344,866
	Accrued profit		1,414	862
			510,709	387,029

31.1 Deposit accounts carry interest rate ranging from 18.5% to 21% (2023: 10.75% to 19.50%) per annum.

31.2 Deposit accounts carry interest @ 0.25% (2023: 0.25%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32	REVENUE- NET	2024	2023
		(Rupees'000)	
	Gross revenue	19,578,345	16,104,796
	Discounts	(483,272)	(366,430)
	Sales tax	(2,465,236)	(2,155,464)
		16,629,837	13,582,902

32.1 **Gross revenue**

In the following table, revenue from contracts with customers is disaggregated by, major products and service lines, and timing of revenue recognition.

Major products/service lines	Note	2024	2023
		(Rupees'000)	
Rooms		7,396,598	6,343,568
Food and beverages		9,300,897	8,242,535
Other related services	32.2	1,114,465	1,196,213
Fee revenue from franchise and management properties		110,853	75,410
Vehicle rental		267,606	212,227
Revenue from real estate segment		1,350,000	-
Shop license fees		37,926	34,843
Revenue - gross		19,578,345	16,104,796
Timing of revenue recognition			
Products / services transferred at a point in time		9,476,313	7,453,360
Services transferred over time		7,153,524	6,129,542

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

32.3 Revenue amounting to Rs. 422.21 million (2023: Rs. 451.142 million) has been recognized from contract liabilities at the beginning of the year.

32.4 The Group's entire revenue is generated within Pakistan.

33	CONTRACT BALANCES	Note	2024	2023
			(Rupees'000)	
	Contract assets	33.1	46,156	20,620
	Contract liabilities	33.2	975,052	952,335

33.1 Contract assets primarily relate to the Group's rights to consideration for goods and services provided to the customers but not billed at the reporting date. Contract assets are transferred to trade debts when invoice is raised. Opening balance of contract assets was fully transferred to trade debts during the year.

33.2 Contract liabilities represent the Group's obligation to transfer goods or services for which the customer has already paid a consideration. These contract liabilities mainly relates to the advances received against banquets functions, room sales and membership fee. The Group applies the practical expedient in paragraph 121 of IFRS - 15 and does not disclose information about the remaining performance obligations that have original expected duration of one year or less.

33.3 Contract liabilities include an amount of Rs. 29,916 thousand (2023: Rs. 12,190 thousands) received from related party on account of future reservations made on behalf of customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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34 COST OF SALES AND SERVICES	Note	2024	2023
		(Rupees'000)	
Food and beverages			
Opening balance		186,720	150,527
Purchases during the year		2,642,979	2,565,741
Closing balance		(195,604)	(186,720)
Consumption during the year		2,634,095	2,529,548
Direct expenses			
Salaries, wages and benefits	34.1	2,525,977	2,245,900
Heat, light and power		1,723,159	1,472,386
Repair and maintenance		570,275	469,869
Depreciation	17.1.6	758,707	747,212
Amortization		21,550	29,198
Guest supplies		374,794	290,746
Linen, china and glassware		185,313	147,787
Communication and other related services		13,891	11,749
Laundry and dry cleaning		92,788	76,115
Banquet and decoration		76,838	75,114
Transportation		8,394	4,643
Uniforms		24,589	23,438
Music and entertainment		19,955	18,219
Insurance		3,634	3,333
Vehicle operating expense		105,846	83,669
Vehicle rentals and registration charges		34,804	42,189
Cost of development properties		1,373,330	-
Contract costs	34.2	163,690	163,800
Others		34,533	43,818
		10,746,162	8,478,733

34.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 187.7 million (2023: Rs. 143.71 million).

34.2 This represents incremental costs of obtaining customer contracts.

35 OTHER INCOME	2024	2023
	(Rupees'000)	
Concessions and commissions	3,270	3,295
Gain/ (loss) on disposal of property, plant and equipment	70,913	52,785
Gain on disposal of held for sale asset	571,757	98,356
Increase in fair value of investments property	(8,000)	-
Communication towers and other rental income	74,554	82,910
Insurance claim	-	2,319
Impact of long term room allocation advances	22,829	77,085
Gain on deferment of accrued markup	25,056	82,138
Others - net	166,463	84,262
	926,842	483,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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36 ADMINISTRATIVE EXPENSES	Note	2024 (Rupees'000)	2023
Salaries, wages and benefits	36.1	2,048,409	1,879,940
Rent, rates and taxes		175,773	357,466
Security and protective services		406,738	352,888
Advertisement and sales promotion		184,982	210,830
Repair and maintenance		77,364	57,276
Heat, light and power		207,965	181,546
Travelling and conveyance		148,140	140,228
Depreciation	17.1.6	184,361	173,157
Amortization		2,394	3,244
Communications		25,070	28,035
Printing and stationery		65,758	56,466
Legal and professional charges		157,116	153,210
Insurance		128,589	105,473
Entertainment		41,426	27,078
Subscriptions		180,392	152,370
Laundry and dry cleaning		6,945	5,189
Uniforms		8,861	4,762
Auditors' remuneration	36.2	10,705	9,713
Vehicle rentals and registration charges	36.3	2,111	10,107
Miscellaneous		58,055	152,058
		4,121,154	4,061,036

36.1 Salaries, wages and benefits include staff retirement benefits amounting to Rs. 134.50 million (2023: Rs. 126.30 million).

36.2 Auditors' remuneration	2024 (Rupees'000)	2023
KPMG Taseer Hadi & Co.		
Audit services		
Annual audit fee	4,384	4,764
Audit of consolidated financial statements	1,083	832
Half yearly review	1,120	900
Out of pocket expenses	1,739	876
	8,326	7,372
Non-audit services		
Special reports and certification	597	513
Tax advisory	360	613
	957	1,126
	9,283	8,498
BDO Ebrahim & Co.		
Audit services		
Annual audit fee	1,316	1,215
Special reports and certificates	106	-
	1,422	1,215
	10,705	9,713

36.3 This represents Ijarah payments made during the year under an Ijarah (lease) agreement. As required under IFAS 2 " Ijarah" (notified through SRO 431 (I) / 2007 by Securities & Exchange Commission of Pakistan). Ijarah payments under an Ijarah (lease) agreement are recognised as an expense in the consolidated statement of profit or loss on straight line basis over the term of Ijarah.

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The maturity analysis of remaining Ijarah facility is as follows:

	2024	2023
	(Rupees'000)	
Within one year	-	752
After one year but not more than five years	-	-
	-	752

37 OTHER EXPENSE

	Note	2024	2023
Impairment (reversal) / charge on associates and jointly controlled entity		(103,763)	1,108,939
Impairment on advance against equity		189,402	-
Impairment loss on intangible assets	19.2	216,074	-
		112,311	1,298,341

38 FINANCE INCOME

	2024	2023
Interest income on:		
Term Deposit Receipt	120,092	134,696
Term Finance Certificate	17,735	14,232
Bank deposits	63,587	52,956
Dividend income	275	1,200
Exchange gain	2,450	7,031
	204,139	210,115

39 FINANCE COST

	2024	2023
Interest expense on:		
Loans and borrowings	897,496	687,091
Short term borrowings	402,425	359,018
Sukuk finance	937,282	686,903
Amortization of transaction cost	14,475	9,369
Lease facilities	54,752	60,001
Amortization of deferred payment	4,443	42,644
Amortization of long term room allocation advances	35,855	11,437
Interest on preference shares	41,964	41,850
Credit cards, bank and other charges	157,118	100,096
	2,545,810	1,998,409

40 INCOME TAX EXPENSE

	2024	2023
Current tax		
- Current year	34,004	80,559
- Prior year	(73,268)	(16,169)
	(39,264)	64,390
Deferred tax charge	(228,366)	135,613
	(267,630)	200,003

40.1 Reconciliation of tax charge as per tax laws with current tax

	Note	2024	2023
Current tax liability for the year as per applicable tax laws		251,532	218,762
Portion of current tax liability as per tax laws, representing income tax under IAS 12		34,004	80,559
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	40.2	217,528	138,203
		251,532	218,762
		-	-

40.2 This represents portion of minimum tax paid under section – 113 & 153 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. This also includes reversal of prior year levy amounting to Rs. 6.5 million.

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40.3 Relationship between accounting profit and tax expense is as follows:

	2024	2023
	(Rupees'000)	
Accounting profit / (loss) for the year including discontinued operations	354,574	(1,447,597)
Tax charge @ 29% (2023: 29%)	102,826	419,779
Effect of super tax	(10,524)	7,575
Tax credit	(17,853)	(2,237)
Permanent difference	(80,943)	116,405
Unrealized gain / (loss)	-	15,768
Adjusted tax losses	(9,513)	44,575
Tax effect of minimum tax	(242)	(321)
Deferred tax asset not recognised	53,716	4,978
Tax effect of equity accounted investments	(223,039)	-
Tax effect of income subject to lower taxation	(10,578)	(8,600)
Effect of tax rate not adjusted in deferred tax	981	39,718
Prior year's tax charge	(73,268)	(16,169)
Others	806	18,084
	(267,630)	200,003

40.4 Due to uncertainty about timing of taxable profits in the foreseeable future, the Parent Company has not recognized deferred tax asset on taxable loss amounting to Rs. 3.46 million (2023: Rs. 12.96 million) on account of unabsorbed depreciation losses of AJK operations and impairment on investment in subsidiary recognized during the year amounting to Rs. 55.38 million (2023: nil).

40.5 **Tax related contingencies**

Income tax

I The income tax assessments of the Parent Company have been finalised and returns have been filed up to and including the tax year 2023. However, for the assessment year 1999-2000, an appeal is pending with the Appellate Tribunal, Inland Revenue. In case of adverse decision of the appeal, the tax liability of Rs. 73.165 million (2023: Rs. 73.165 million) may arise against the Parent Company for which no provision has been recognised by the Parent Company. These comprise of disallowances of certain expenses and arbitrary additions to the income of the Parent Company. Based on appellate history and merits, the Parent Company is confident of a favourable outcome of the appeal. Therefore, the Parent Company considers that provision against this tax liability is not required.

ii In June 2020, the taxation officer amended the assessment for the tax year 2014 by disallowing various expenses and raising tax demand of Rs. 1,400 million. On appeal filed by the Parent Company against the assessment order before the Commissioner Inland Revenue (Appeals-II) Karachi (CIR(A)). The case was remanded back for reassessment by the CIRA upon which the deputy Commissioner of Inland Revenue initiated appeal effect proceedings and passed the appeal effect order dated 26 May 2023 creating demand of Rs. 35.19 million.The Parent Company has filed the appeal before CIRA against the appeal effect order dated 26 May 2023. The CIRA has passed order partially confirming the order of tax officer with respect to the credit claimed under Section 65B of the Ordinance. The Parent Company has filed the appeal before Tribunal against the Order of CIRA with respect to the credit claimed by the Parent Company under Section 65B of the Ordinance, however based on the appellate history and merits, the Parent Company is confident of favourable outcome of the case and hence a provision on this matter has not been recognized.

iii In June 2023, the taxation officer passed an order under Section 4C of the Ordinance for the tax year 2020 creating tax demand of Rs. 42.38 million. The Parent Company file the appeal before CIRA against the amendment in assessment order dated 26 June 2023.The CIRA confirmed the order of taxation officer. Being aggreived Parent Company has filed an appeal to tribunal.

iv In May 2023, the taxation officer amended the assessment for the tax year 2017 by various disallowances and creating tax demand of Rs. 6,979,082, The Parent Company file the appeal before CIRA against the amendment in assessment order dated 27 June 2023. The CIRA passed the order partially confirming the order of tax officer with respect to the credit claimed under Section 65B of the Ordinance. The Parent Company has filed the appeal before Tribunal against the Order of CIRA with respect to the credit claimed by Parent Company under Section 65B of the Ordinance. The Parent Company anticipates favourable outcome of the case based on the legal and factual position on the matter.

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v Income Tax Appeal has been filed before the Commissioner of Inland Revenue (Appeals-III), Karachi [CIR(A)] on 21 July 2020 against the order dated 30 June 2020 passed by the Deputy Commissioner of Inland Revenue (DCIR) under section 122(1)/122(5) of the Income Tax Ordinance, 2001 for the Tax Year 2014. The CIR(A) considered Pearl Tours & Travels (Private) Limited detailed argument and remand back the case to DCIR. Pearl Tours & Travels (Private) Limited filed appeal to the Appellate Tribunal Inland Revenue on 03 November 2020 which is pending to date. Pearl Tours & Travels (Private) Limited expect a favorable outcome in the matter and accordingly no provision has been recognised in these consolidated financial statements

vi The Assistant Commissioner Inland Revenue issued an order dated 26 May 2018 whereby a demand was raised of Rs. 30.88 million for the Tax Year 2016, with reference to order passed under section 161/205/182 of the Income Tax Ordinance, 2001. Against this order, the Pearl Tours & Travels (Private) Limited filed an appeal before the Commissioner Inland Revenue (Appeals-I), who vide its Order No.10-2019 dated 10 May 2019 remanded back the case to the Deputy Commissioner Inland Revenue. Being aggrieved of the decision of the Commissioner Inland Revenue (Appeals-I), the Pearl Tours & Travels (Private) Limited filed an appeal to the Appellate Tribunal Inland Revenue, Karachi on 16 May 2019 and decision is pending to date. Pearl Tours & Travels (Private) Limited expects a favourable outcome in the matter and accordingly no provision has been recognised in these consolidated financial statements.

vii. Pearl Tours and Travels (Private) Limited has filed appeal before the Commissioner of Inland Revenue (Appeals-VII), Karachi [CIR(A)] on 31 May 2022 against the order dated 13 May 2022 passed by the Assistant/Deputy Commissioner of Inland Revenue under section 221(1) of the Income Tax Ordinance, 2001 for the Tax Year 2019. The CIR(A) has remanded back the case to the Assistant Commissioner of Inland Revenue. Pearl Tours and Travels (Private) Limited expect a favourable outcome in the matter and accordingly no provision has been recognised in these consolidated financial statements.

Sales Tax

i. Sales Tax Collectorate, Lahore created the sales tax liability amounting to Rs. 9.571 million· on the basis of audit proceedings for the year 1997-98 that the Parent Company provided out door catering to PIA without payment of sales tax. The Additional Collector disposed off the above referred audit observations. The department filed appeal before the Appellate Tribunal Inland Revenue (ATIR).The ATIR set aside order of Additional Collector through order no. 1394/LB/09 dated 13 May 2011. The Parent Company filed reference application no. 128/2011 before the Honourable Lahore High Court dated 12 September 2011 against the order passed by ATIR and hence a provision on this matter has not been recognized.

ii. The Additional Collector, Lahore disallowed the input tax relating to purchase of certain items amounting to Rs. 7.22 million during the period of October 2000 and June 2002 on the basis of section 8(1) of the Sales Tax Act, 1990 read with SRO 578(1)/98 dated 12 June 1998. The Parent Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR), while the ATIR upheld the order of Additional Collector, Lahore. The Company filed reference application before the Lahore High Court on 24 September 2011 against the order passed by ATIR and hence a provision on this matter has not been recognized.

iii. The Deputy Commissioner, Punjab Revenue Authority, Lahore (PRA) issued notices having references No.PRA/PC/Hotel/14/32972 on 05 November 2014 and No.PRA/PC/Hotel/14/32985 on 12 November 2014 for the tax period August 2014 and tax periods from July 2012 to September 2014 respectively. Through notice dated 05 November 2014 it has been alleged that the Parent Company claimed inadmissible input tax adjustment on construction material amounting to Rs 21.15 million. Through notice dated 12 November 2014, the Deputy Commissioner, Punjab Revenue Authority, Lahore initiated the inquiry/investigation against the Parent Company for the period from July 2012 to September 2014. The Parent Company filed Writ Petition 30844/2014 before Lahore High Court which is pending adjudication and hence a provision on this matter has not been recognized.

iv. The Enforcement officer passed an order dated 30 April 2021 alleging that the Parent Company claimed inadmissible input tax of Rs. 2,079,081/- during the tax periods October 2013 to June 2015 and raised a demand of Rs. 2,079,081/- along with penalty of Rs. 103,954/-. The Parent Company aggrieved by the order filed an appeal before the Commissioner Appeals, PRA which is pending disposal till date.

v. The Assistant Commissioner Sindh Revenue Board (AC-SRB), passed an order on 15 March 2022 alleging that the Parent Company claimed inadmissible input tax of Rs. 112,789,782 during the tax periods July 2013 to June 2020 and raised a demand of Rs. 112,789,782 along with penalty of Rs. 5,639,489/-. The Parent Company aggrieved by the order filed an appeal before the Commissioner Appeals, SRB which is pending disposal till date.

vi. Show cause notice issued by Deputy Collector, KPRA, requiring the Parent Company to show-cause as to why reduced rate input aggregating to Rs. 12,119,072 pertaining to tax periods May 2018 to August 2022 may not be recovered. The Parent Company filed the response accompanying the requisite information / details / record. However, the assessing officer concluded the proceedings and created a demand of Rs. 10,707,526 adjudicated vide Order No. 101/2023 dated December 16, 2023. The Company has filed the appeal before CIRA against the assessment order.

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40.5.1 **Legal contigencies**

(i) Third party contractors staff has filed a case in Labor Court Peshawar which was later on transferred to Labour Court Mardan and the said court decided in favor of the employees on 13.07.09. Parent Company got a stay order against the decision of the Labour Court Mardan from High Court Peshawar. Subsequently the said case were transferred to the NIRC and full bench of NIRC has dismissed the petition with the order that the Defendant are entitled to claim the benefits of permanent employees with effect from 1993. Against the said order Parent Company have filed Write petition before the Peshawar High Court. The Honorable High Court suspended the order of the Full Bench of NIRC Islamabad.

(ii) An employee was dismissed in account of embezzlement and concealing facts .He has approached to NIRC for reinstatement of services. Parent Company have filed application challenging the jurisdiction which was dismissed and adjourned the case for filing of reply.

(iii) Subsequent to the year end, one of the Sukuk participants has served a legal notice of default to the Parent Company and its directors, requiring settlement of its entire share of outstanding principal and mark-up, else legal proceedings against the Parent Company and its directors will be initiated. The Parent Company also received intimation from another lender to remedy the default in Sukuk. The Parent Company has responded to the legal notice and has approached Sindh High Court contesting the validity of legal notice of default and obtained a stay order against any adverse proceedings against the Parent Company and its directors. Management of the Parent Company based on legal advice believes that the Sukuk participant does not have legal right to payment unilaterally under the terms of financing arrangement and it is required to repay the outstanding amounts as per borrowing agreements repayment schedules and it is unlikely that this demand can be enforced. Notwithstanding, the entire Sukuk obligation has been classified as a current liability in these consolidated financial statements.

41 DISCONTINUED OPERATIONS AND OTHER CHANGES IN HOLDING

41.1 During the year, the Group disposed off its 69.99% shareholding in Foreepay (Private) Limited resulting in a loss of control over the investee Company i.e., exposure, or rights, to variable returns and ability to affect those returns, resultantly, Foreepay (Private) Limited has been classified as a discontinued operation in these consolidated financial statements. The disposal transaction constituted a 'common control event' within the Group, accordingly, the retained interest has been computed using the book value method at the date of the transaction and classified as an 'investment in associated Company' which has been subsequently accounted for using the 'equity method' as applied for other associated investments.

Breakup of operating results of the discontinued operations till the disposal date are detailed below,

	2024	2023
	(Rupees'000)	
Revenue	17,479	6,610
Cost of sales	(33,267)	(92,970)
Gross profit	(15,788)	(86,360)
Administrative expenses and selling expenses	(24,227)	(96,060)
Other income	106	-
Operating loss	(39,910)	(182,420)
Finance income - profit on bank deposits	735	1,701
Finance cost	(52)	(105)
Net finance costs	684	1,596
Loss before levy and income tax	(39,226)	(180,823)
Levies - minimum tax	(218)	(83)
Loss from discontinued operation	(39,445)	(180,906)

41.2 During the year, the Group also reduced its controlling interest in Pak Vitae (Private) Limited, by 39.99%. This dilution in ownership stake did not result in a loss of control of the subsidiary and accordingly classified as an equity transaction in these consolidated financial statements. The group has adjusted the carrying amount of non – controlling interests directly as a proportion of change in ownership of Pak Vitae (Private) Limited. The difference between the amount by which the non-controlling interests are adjusted and the value of the consideration is recognized directly in equity and classified as an 'other capital reserve'.

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42 EARNING / (LOSS) PER SHARE

	2024	2023
Profit / (loss) for the year attributable to the owners of the Parent Company (Rupees' 000)	427,935	(1,702,726)
Weighted average number of ordinary shares (Numbers)	32,524,170	32,524,170
Earning / (loss) per share - basic (Rupees)	13.16	(52.35)

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

43 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES

	Note	2024	Restated 2023
		(Rupees'000)	
Profit / (loss) before tax including discontinued operations		137,046	(1,585,717)
Adjustments for:			
Depreciation	17.1.6	943,068	922,683
Amortization		23,944	34,295
Gain on disposal of property, plant and equipment	35	(70,913)	(52,785)
Gain on disposal of held for sale assets	35	(571,757)	(98,356)
Provision for staff retirement benefit - gratuity	10.1.3	200,797	157,269
Provision for compensated leave absences	10.2.3	47,619	50,274
Impairment loss / (reversal) on trade debts		101,582	(138,831)
Return on bank deposits / certificate of investment	38	(201,414)	(203,585)
Share of profit of equity accounted investments		(258,411)	(155,001)
Lease termination		(2,624)	-
Finance cost	39	2,545,810	1,998,514
Dividend income	38	-	(1,200)
Impairment (reversal) / charge on associates and jointly controlled entity	37	(103,763)	1,298,341
Impairment of intangible asset	37	217,880	-
Minimum and final tax		217,528	138,203
Unrealized gain / (loss) on remeasurement of investment to fair value		(1,809)	170
Unrealized gain of rooms allocation on long term basis		(22,829)	(77,085)
Unrealised (loss) on remeasurement of investments property	35	8,000	-
Provision on stores, spare parts and loose tools		-	(64)
		3,209,754	2,287,125

44 CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and bank balances	31	510,709	387,029
Short term borrowings	13	(1,865,226)	(1,613,026)
Accrued profit on bank deposits		(1,414)	(862)
Accrued markup on short term borrowings		99,473	81,404
		(1,256,458)	(1,145,455)

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44.1 Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans and borrowings	Short term Borrowings	Lease Liabilities	Other liabilities	Non-controlling interest	Total
			(Rupees'000)			
Balance at 01 July 2023	12,611,702	963,934	400,070	141,960	117,667	14,235,333
Changes from financing activities						
Proceeds from loans	45,000	-	-	-	-	45,000
Allocation of rooms on long term basis		-	-	75,298	-	75,298
Repayment of loan	(3,587,370)	-	-	-	-	(3,587,370)
Repayment of lease laibility	-	-	(112,709)	-	-	(112,709)
Short term loan	-	(99,240)	-	-	-	(99,240)
Advance against issuance of shares prior to subsidiary disposal	-	-	-	-	222,053	222,053
	(3,542,370)	(99,240)	(112,709)	75,298	222,053	(3,456,968)
Other changes						
Amortization of transaction cost	14,475	-	-	-	-	14,475
Amortization of gain recorded upon restructuring of long term loans	1,863	-	-	-	-	1,863
Recognition of contract laibility for complimentry nights	-	-	-	(8,787)	-	(8,787)
Gain oin initial recognition on long term room allocation advances	-	-	-	(22,829)	-	(22,829)
Amortization of long term room allocation advances	-	-	-	35,855	-	35,855
Eliminaiton on disposal of subsidiary	-	-	-	-	222,053	222,053
Gain on diposal of subsidiary	-	-	-	-	120,087	120,087
Loan elimination through common control transacitons	-	(515,771)	-	-	-	(515,771)
Short term loan eliminated on disposal	-	(90,000)	-	-	-	(90,000)
Loss for the year	-	-	-	-	(23,259)	(23,259)
Increase in NCI due to change in holding	-	-	-	-	51,710	51,710
Lease liabilities	-	-	47,876	-	-	47,876
Mark-up accrued	(273,963)	-	-	-	-	(273,963)
	(257,625)	(605,771)	47,876	4,239	(73,515)	(884,796)
Balance at 30 June 2024	8,811,707	258,923	335,237	221,497	266,205	9,893,569

	Loans and borrowings	Short term Borrowings	Lease Liabilities	Other liabilities	Non-controlling interest	Total
			(Rupees'000)			
Balance at 01 July 2022	13,671,366	806,467	366,244	-	186,344	15,030,421
Changes from financing activities						
Proceeds from loans	441,050	-	-	-	-	441,050
Allocation of rooms on long term basis	-	-	-	215,509	-	215,509
Repayment of loan	(1,706,586)	-	-	-	-	(1,706,586)
Repayment of lease laibility	-	-	(120,533)	-	-	(120,533)
Short term loan	-	157,467	-	-	-	157,467
Advance against issuance of shares	-	-	-	-	14,400	14,400
Transaction cost paid	(15,000)	-	-	-	-	(15,000)
	(1,280,536)	157,467	(120,533)	215,509	14,400	(1,013,693)
Other changes						
Amortization of transaction cost	9,369	-	-	-	-	9,369
Gain recorded upon restructuring of long term loans	(3,976)	-	-	-	-	(3,976)
Recognition of contract laibility for complimentry nights	-	-	-	(7,901)	-	(7,901)
Gain oin initial recognition on long term room allocation advances	-	-	-	(77,085)	-	(77,085)
Amortization of long term room allocation advances	-	-	-	11,437	-	11,437
Lease liabilities	-	-	154,359	-	-	154,359
Loss for the year	-	-	-	-	(83,077)	(83,077)
Mark-up accrued	215,479	-	-	-	-	215,479
	220,872	-	154,359	(73,549)	(83,077)	218,605
Balance at 30 June 2023	12,611,702	963,934	400,070	141,960	117,667	14,235,333

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45 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Directors	Executives	Chief Executives Officer	Directors	Executives
	Rupees '000					
Managerial remuneration	139,336	293,347	595,254	144,000	225,408	579,295
Provident fund contribution	6,308	2,377	16,766	7,996	1,199	12,108
Provision for gratuity	9,364	29,077	17,243	11,836	23,170	17,476
Provision for compensated leave absences	-	-	29,964	12,000	-	25,775
Provision for bonus	18,937	5,063	3,245	24,000	-	346
Provision for leave fare assistance	3,165	846	472	3,993	-	57
Other services	-	21,465	-	-	20,748	-
** Meeting fee	300	1,700	500	250	2,600	700
	177,410	353,875	663,443	204,075	273,125	635,757
Number of persons	1*	8	108	1	7	120

* During the year CEO of the Company has resigned and Board has appointed a new CEO , hence this amount includes remuneration of outgoing and newly appointed CEO.

** This represents meeting fee of Rs. 1.3 million (2023: Rs. 1.9 million) paid to non-executive directors of the Company.

45.1 In addition to the above, vehicle allowance of Rs. 100.84 million has been paid to certain Directors and executives. The Chief Executive Officer, and certain executives are provided with the Company maintained vehicles having carrying value of Rs.35.71 million (2023: Rs. 23.56 million). Accommodation maintenance is also provided to Chief Executive Officer. Certain directors and executives are also provided with medical expenses and company maintained accommodation, as per the Company's policy.

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46 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 related parties (with whom the Group has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Basis of Relationship	Name of Related Party	Percentage of Share holding
Common directorship	Hashwani Hotels Limited	-
	Hotel One (Private) Limited	17.85%
	Continental Devine Core Developers (Private) Limited	-
	Jubilee General Insurance Company Limited	7.6%
	OPI Gas (Private) Limited	-
	Pearl Real Estate Holdings (Private) Limited	-
	Shine Plus (Private) Limited	-
	Hashoo (Private) Limited	-
	Tejari Pakistan (Private) Limited	-
	Organiks Plus (Private) Limited	-
	Net -21 (Private) Limited	-
	Zaver Petroleum Corporation (Private) Limited	11.26%
	Hashoo Resource Management (Private) Limited	11.26%
	Hashoo Hunar (Pvt) Ltd.	-
	Hashoo School of Hospitality Management (Pvt.) Limited	-
Directors	Mr. Sadruddin Hashwani	-
	Mr. Murtaza Hashwani	-
	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 Ahmad Ranjha	
Director of Subsidiary Company	Syed Javed	-
Key management personnel	Chief Executive officer	-
	Chief Financial officer	-
	Company Secretary	-
Directors as Board of trustees	Hashoo Foundation	-
	Hashoo Hunar Associates	-
Significant influence	Genesis Trading (Private) Limited	-
	Karakoram Security Services (Private) Limited	-
Significant influence of relative of Director	Nirvana, a partnership firm	-
Close family member of Directors	Ms. Sarah Hashwani	-
	Ms. Nadia Lakhani	-
	Ms. Shazia Hashwani	-
Staff retirement fund	PSL Employees Provident Fund Trust	-

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	Note	2024	2023
		(Rupees'000)	
Transactions with associated undertakings			
Sales		2,272	2,344
Services provided		26,625	74,398
Services availed		672,547	577,438
Purchases		143,351	220,432
Franchise fee - income		7,400	5,340
Dividend income		75,283	60,227
Purchase of property, plant and equipment		-	33,072
Sale of asset		-	10,241
Advance against issuance of shares		-	14,400
Receipt of advance against sale of property		-	150,000
Refund of advance received against sale of property		150,000	-
Loan settlement		50,000	-
Transactions and balances with other related parties			
Sales		310	325
Services provided		1,734	81
Services availed		46,324	40,237
Contribution to defined contribution plan - provident fund		72,090	62,165
Transactions with key management personnel			
Remuneration and allowances including staff retirement benefits	46.1	618,243	592,222
Loan from key management personnel		-	157,466
Loan settlement to key management personnel		660,000	-

46.1 **Compensation to key management personnel**

	2024	2023
Salaries and other benefits	500,808	465,935
Contribution to provident fund	9,858	10,186
Gratuity	54,988	51,553
Bonus	24,000	24,000
Meeting fee	2,500	3,550
Other services	21,465	20,748
Others	4,624	16,250
	618,243	592,222
Number of persons	9	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

47.1 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.

		Carrying amount					Fair value			
		Amount in Rs'000								
		Financial Assets			Financial liabilities amortized cost	Total	Level 1	Level 2	Level 3	Total
30 June 2024	Note	Fair value through profit or loss	fair value through OCI	Amortized cost						
Financial assets measured at fair value										
Financial assets measured at fair value										
Short term investments	28	12,040	-	-	-	12,040	12,040	-	-	12,040
Long term investments	21	-	670,360	-	-	670,360	279,228	-	391,132	670,360
		12,040	670,360	-	-	682,400	291,268	-	391,132	682,400
Financial assets not measured at fair value	47.2									
Long term deposits	22	17,581	-	-	-	17,581	-	-	-	-
Trade deposits	27	34,006	-	-	-	34,006	-	-	-	-
Trade debts	26	-	-	901,736	-	901,736	-	-	-	-
Contract assets	33	-	-	46,156	-	46,156	-	-	-	-
Advance to employees	27	-	-	4,653	-	4,653	-	-	-	-
Other receivables	27	-	-	316,717	-	316,717	-	-	-	-
Short term investment	28	-	-	715,989	-	715,989	-	-	-	-
Accrued interest		-	-	4,663	-	4,663	-	-	-	-
Bank balances	31	-	-	437,125	-	437,125	-	-	-	-
		-	-	2,427,039	-	2,478,626	-	-	-	-
Financial liabilities not measured at fair value	47.2									
Loans and borrowings	8	-	-	-	8,829,943	8,829,943	-	-	-	-
Other non-current liabilities		-	-		221,497	221,497				
Short term borrowings	13	-	-	-	2,124,149	2,124,149	-	-	-	-
Lease liabilities	9	-	-	-	335,237	335,237	-	-	-	-
Trade and other payables	14	-	-	-	3,373,690	3,373,690	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		-	-	-	14,895,286	14,895,286	-	-	-	-

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		Carrying amount					Fair value			
		Amount in Rs'000								
		Financial Assets			Financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2024	Note	Fair value through profit or loss	fair value through OCI	Amortized cost	amortized cost					
Financial assets measured at fair value										
Short term investments	28	10,524	-	-	-	10,524	10,524	-	-	10,524
Long term investments	21		689,718	-	-	689,718	-	-	689,718	689,718
		10,524	689,718	-	-	700,242	10,524	-	689,718	700,242
Financial assets not measured at fair value										
Long term deposits		50,026	-	-	-	50,026	-	-	-	-
Short term deposits	27	22,018	-	-	-	22,018	-	-	-	-
Trade debts	26	-	-	987,640	-	987,640	-	-	-	-
Contract assets	33	-	-	20,620	-	20,620	-	-	-	-
Advance to employees	27	-	-	29,583	-	29,583	-	-	-	-
Other receivables	27	-	-	184,946	-	184,946	-	-	-	-
Short term investment	28	-	-	716,282	-	716,282	-	-	-	-
Accrued interest		-	-	2,652	-	2,652	-	-	-	-
Bank balances	31	-	-	345,728		345,728				
		-	-	2,287,451	-	2,287,451	-	-	-	-
Financial liabilities not measured at fair value	47.2									
Loans and borrowings	8	-	-	-	12,644,413	12,644,413	-	-	-	-
Other non-current liabilities		-	-		141,960	141,960	-	-	-	-
Short term borrowings	13	-	-	-	2,576,960	2,576,960	-	-	-	-
Lease liabilities	9	-	-	-	400,070	400,070	-	-	-	-
Trade and other payables	14	-	-	-	3,374,759	3,374,759	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		-		-	19,148,932	19,148,932	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

47.2 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.

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

Financial risk management

The Group has exposure to the following risks arising for financial instruments:
- Credit risk (note 47.4)
- Liquidity risk (note 47.5)
- Market risk (note 47.6)

Risk management framework

The Parent Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

47.4 **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade debts from customers.

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

Expected credit losses on financial assets and contract assets recognised in consolidated statement of profit or loss were as follows.

	2024	2023
	(Rupees '000)	
Allowance/ (reversal) of expected credit losses on trade debts and contract assets arising from contract with customers	101,582	(138,831)

i **Trade debts and contract assets**

The Group's exposure to credit risk is influenced mainly by the individual's characteristics of each customer. However, management also considers the factors that may influence the credit risk of customer base, including the default risk associated with the industry and the region in which the customers operate. Detail of concentration of revenue are included in note 32.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Credit limits are established for each customer and are reviewed regularly. Any sales exceeding those limits require approval from appropriate management level.

The Group limits its exposure to credit risk from trade debts by establishing a maximum payment period for each corporate customer based on the management assessment of risk.

Maximum of the Group's customers have been transacting with the Group for many years and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

At reporting date, the exposure to credit risk for trade debts and contract assets by geographical regions was as follows.

	2024		2023	
	Trade debts	Contract assets	Trade debts	Contract assets
	(Rupees '000)			
Pearl Continental Hotel				
- Karachi	**332,791**	**19,387**	290,820	8,094
- Lahore	**462,413**	**9,595**	446,073	2,396
- Rawalpindi	**139,255**	**12,065**	120,690	2,814
- Peshawar	**75,261**	**-**	81,796	-
- Bhurban	**136,681**	**4,532**	222,617	6,183
- Muzaffarabad	**22,554**	**267**	42,739	1,125
- Hunza	**13,248**	**310**	526	8
- Islamabad	**71,660**	**-**	63,324	-
-Head Office	**73,074**	**-**	30,365	-
Destinations of the World - Pakistan	**30,946**	**-**	43,256	-
	1,357,884	**46,156**	1,342,206	20,620

At reporting date, the exposure to credit risk for trade debts and contracts assets by type of counterparty was as follows;

	Note	2024	2023
		(Rupees'000)	
From related parties		**55,417**	35,023
From government institutions		**46,005**	40,491
Others		**1,302,618**	1,287,312
	26 & 33	**1,404,040**	1,362,826

A summary of the Group's exposure to credit risk for trade debts is as follows.

	2024	2023
Customers with external credit rating of A1 to A3	**121,489**	70,422
Customers without external credit rating	**1,236,395**	1,271,784
Total gross carrying amount	**1,357,884**	1,342,206
Allowance for expected credit losses	**(456,148)**	(354,566)
	901,736	987,640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Expected credit loss assessment for corporate customers

The Group allocates each exposure to a credit risk based on data that is determined to be predictive of the loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projection and available press information about customers) and applying experienced credit judgment. Credit risk are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definition from agencies (Rating agencies Pakistan Credit Rating Agency (PACRA) and JCR - VIS.

Exposure within each credit risk are segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade debts.

Scalar factors are based on GDP , Consumer Price Index which are as follows.

Years	GDP rate	Consumer price index
2024	2.0	24.8
2023	(0.2)	29.2
2022	6.2	12.1
2021	5.8	8.9
2020	(0.9)	10.7

The Group uses an allowance matrix to measure the ECLs of trade debts from corporate customers, which comprises a very large number of small balances.

Loss rates are calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. Roll rates are calculated separately for exposure in different segments based on following common characteristics - geographic region and age of customer relationship.

The following table provides information about the exposure to credit risk and ECL for trade debts and contract assets for corporate customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	Weighted average loss rate	Gross carrying amount	Loss allowance
	%	(Rupees' 000)	
30-Jun-24			
Current	2.3%	499,000	11,373
0-30 days past due	3.0%	213,319	6,361
30-60 days past due	11.4%	107,897	12,290
60-90 days past due	13.4%	42,784	5,736
Above 90 days	77.7%	541,040	420,387
		1,404,040	456,148
30-Jun-23			
Current	7.6%	424,868	32,487
0-30 days past due	14.8%	232,488	34,413
30-60 days past due	25.9%	107,183	27,720
60-90 days past due	52.1%	32,271	16,801
Above 90 days	43.0%	566,018	243,147
		1,362,829	354,568

Movement in the allowance for expected credit losses in respect of trade debts and contract assets

The movement in the allowance for expected credit losses in respect of trade debts and contract assets during the year was as follows.

	2024	2023
	(Rupees' 000)	
Balance at 01 July	**354,566**	493,397
Allowance / (reversal) of impairment loss on trade debts	**101,582**	(138,831)
Balance as at 30 June	**456,148**	354,566

ii. **Other receivables**

The Group held other receivables of Rs. 454.72 million as at 30 June 2024 (2023: Rs. 189.15 million).

Impairment on trade deposits and other receivables have been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Group considers that its trade deposits and other receivables have low credit risk based on previous experience.

iii. **Short term investments**

The Group held short term investments of Rs.715.99 million as at 30 June 2024 (2023: Rs. 716.58 million). These short term investments are held with the banks which are rated A1+ to A2 based on PACRA and JCR - VIS ratings.

Impairment on short term investments has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Group considers that its short term investments have low credit risk based on external credit rating of the counterparties.

vi **Cash at bank**

The Group held cash at bank of Rs. 435.71 million as at 30 June 2024 (2023: Rs. 344.86 million). These balances are held with the banks which are rated A+1 to A-2 based on PACRA and JCR - VIS ratings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Impairment on cash at bank has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Group considers that its cash at bank have low credit risk based on external credit rating of the counterparties.

47.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, prudent fund management practices and the ability to close out market positions due to dynamic nature of the business. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	Note	Carrying amount	Contractual cash flows	Maturity up to one year	Maturity after one year and up to five years
		(Rupees' 000)			
2024					
Loans and borrowings*	8	**8,829,943**	**10,821,794**	**5,258,014**	**5,563,780**
Other non current liabilities		**221,497**	**221,497**	**11,245**	**66,423**
Lease liabilities	9	**335,237**	**751,283**	**174,280**	**577,003**
Trade and other payables	14	**3,373,690**	**3,373,690**	**3,373,690**	-
Short term borrowings	13	**2,124,149**	**2,124,149**	**2,124,149**	-
Unclaimed dividend		**9,242**	**9,242**	**9,242**	-
Unpaid dividend		**1,528**	**1,528**	**1,528**	-
		14,895,286	**17,303,183**	**10,952,148**	**6,207,206**
2023					
Loans and borrowings	8	12,644,413	17,268,269	13,013,838	4,254,431
Other non current liabilities		141,960	141,960	-	39,840
Lease liabilities	9	400,070	842,478	183,624	658,854
Trade and other payables	14	3,374,759	3,374,759	3,374,759	-
Short term borrowings	13	2,576,960	2,576,960	2,576,960	-
Unclaimed dividend		9,242	9,242	9,242	-
Unpaid dividend		1,528	1,528	1,528	-
		19,148,932	24,215,196	19,159,951	4,953,125

*As explained in note 8, due to non-payment/breach of loan covenants, the borrowings of Parent Company have been classified as a current liability. The Parent Company plans to mitigate the liquidity risk due to these non-compliances as per the explanation given in note 2.4, however, for the purposes of this note the contractual cashflows have been presented as if the repayments continue as per loan agreements after the reporting date.

The contractual cash flows relating to long and short term borrowings have been determined on the basis of expected mark up rates. The mark up rates have been disclosed in notes 8 and 13 to these consolidated financial statements.

47.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group is exposed to currency risk and interest rates only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Foreign currency risk

The PKR is the functional currency of the Group and, as a result, currency exposures arise from transactions and balances in currencies other than PKR. The Group's potential foreign currency exposure comprise:

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Group are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Group in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Group. These currency risks are managed as part of overall risk management strategy. The Group does not enter into forward exchange contracts.

Exposure to forex risk on year end monetary balances:

	2024		2023	
	(Rupees'000)	USD' 000	(Rupees' 000)	USD' 000
Bank balance	4,596	16.52	14,504	50.38

The following significant exchange rate applied during the year:

	Average rates		Balance sheet date rate	
	2024	2023	2024	2023
PKR/ US Dollars	282.55	248.23	278.04	287.90

Foreign currency sensitivity analysis

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of USD applied to assets at reporting date represented in foreign currency, with all other variables held constant, of the Company's profit before tax.

	2024	2023
	(Rupees'000)	
Increase in 5% USD rate	(227)	(711)
Decrease in 5% USD rate	227	711

Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Group has long term and short term Pakistan Rupees based loans and borrowing arrangements at variable rates. The local currency loans and borrowings have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Exposure to interest rate risk:

	2024	2023	2024	2023
	Effective interest rates %		(Rupees' 000)	
Variable rate instruments				
Financial assets	**0.25 to 22.0**	0.25 to 19.50	**324,563**	214,071
Variable rate instruments				
Financial liabilities	**KIBOR + 0.6 to 1.5**	KIBOR + 0.6 to 1.5	**(11,289,329)**	(15,621,443)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity / profit and loss by Rs. 109.65 million (2023: Rs. 154.27 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Other market price risk

The primary goal of the Group's investment strategy is to maximize investment returns on surplus funds. The Group adopts a policy of ensuring to minimize its price risk by investing in securities having sound market performance. Certain investments are designated as held for trading because their performance is actively monitored and these are managed on a fair value basis. Equity price risk arises from investments at fair value through profit or loss.

Sensitivity analysis – equity price risk

The Group is exposed to equity price risk, which arises from investments measured at fair value through profit or loss.. All of the company's investment through profit or loss are in quoted investments, a Rs. 1 increase in market price at reporting date would have increased profit or loss by Rs. 0.55 million (2023: Rs. 0.55 million) ; an equal change in the opposite direction would have decreased profit or loss by the same amount. The analysis is performed on the same basis for 2023 and assumes that all other variables remain the same.

Assets carried at fair value	Level 1	Level 2 (Rupees '000)	Level 3
2024			
Financial assets at fair value through profit or loss - held for trading	**12,040**	-	-
2023			
Financial assets at fair value through profit or loss - held for trading	10,524	-	-

The carrying value of financial assets and liabilities reflected in consolidated financial statements approximate their respective fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

48 APPLICATION OF IFRIC INTERPRETATION 12 - SERVICE CONCESSION ARRANGEMENTS

Securities and Exchange Commission of Pakistan through its S.R.O. NO 24 (I)/2012, dated 16 January 2012 has exempted the application of IFRIC 12 - "Service Concession Arrangements", for Companies in Pakistan. Consequently, the Parent Company is not required to account for its arrangement under Build, Operate and Transfer agreement with City District Government Karachi for developing and operating an underground parking facility in Karachi under IFRIC 12. If the Parent Company were to follow IFRIC 12, the effect on the consolidated financial statements would have been as follows:

	2024	2023
	(Rupees'000)	
Increase in profit after tax for the year	(3,064)	(1,546)
Derecognition of property, plant and equipment	(117,331)	(130,793)
Recognition of intangible asset	289,189	306,210
Recognition of financial liability	(26,578)	(27,064)
Increase in unappropriated profits	99,796	102,860

49 CAPACITY

	No. of rooms		Average occupancy	
	2024	2023	2024	2023
Pearl Continental Hotel			%	%
- Karachi	288	288	73	65
- Lahore	607	607	53	48
- Rawalpindi	200	200	76	62
- Bhurban	197	197	63	56
- Muzaffarabad	102	102	33	38

50 OPERATING SEGMENTS

The type of services and product offered by the hotel properties are similar in nature, and with respect to subsidiaries, operating results are not reviewed regularly by the Parent Company's decision making authority to allocate resources and evaluate performance, hence segment reporting is not presented.

51 NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the year end	1,899	1,894
Average number of employees during the year	1,938	1,934

52 EMPLOYEES' PROVIDENT FUND

All the investments out of provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

53 RESTATEMENT IN CONSOLIDATED FINANCIAL STATEMENTS

53.1 The Institute of Chartered Accountants of Pakistan (ICAP) vide circular 07/2024 dated 15 May 2024 issued the application guidance on accounting for minimum taxes and final taxes. As per the guidance, minimum taxes and certain final taxes paid should be classified as 'levies' and not income tax in the consolidated statement of profit or loss. Since, the impact of the said changes is material, per the abovesaid guidance issued by ICAP and IAS 8 'Accounting Policies, changes in accounting estimates and errors', the changes are to be applied retrospectively.

Accordingly, the Parent Company has restated its comparative information presented in the consolidated statement of profit or loss by reclassifying levies amounting to Rs. 138.203 million from 'Income tax' to 'Minimum and final tax'. In the consolidated statement of cash flows, the income tax paid under the 'operating activities' has been reduced by Rs. 138.203 million corresponding to an increase to minimum and final tax paid by the same amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Consolidated statement of profit or loss	For the year ended 30 June 2023			
	As previously reported	Adjustments Increase	Adjustments (Decrease)	As restated
	(Rupees'000)			
Loss before minimum and final tax	(1,447,514)	-	-	(1,447,514)
Minimum and final tax	-	-	(138,203)	(138,203)
Loss before taxation	(1,447,514)	-	(138,203)	(1,585,717)
Income tax	(338,289)	138,203	-	(200,086)
Loss for the year	(1,785,803)	138,203	(138,203)	(1,785,803)

Consolidated statement of cash flows	For the year ended 30 June 2023			
	As previously reported	Adjustments Increase	Adjustments (Decrease)	As restated
	(Rupees'000)			
Cash flows from operating activities				
Income tax paid	(453,786)	138,203	-	(315,583)
Minimum and final tax paid - net	-	-	(138,203)	(138,203)
Other cash flows from operating activities	108,684	-	-	108,684
Net cash from operating activities	(345,102)	138,203	(138,203)	(345,102)
Net increase in cash and cash equivalents	-	-	-	-

53.2 Profit before taxation has been restated in line with above explained change, however there is no impact on the investing & financing cashflows for the year ended 30 June 2023.

54 DATE OF AUTHORISATION FOR ISSUE

54.1 These consolidated financial statements have been signed by two directors of the Parent Company on behalf of the Board of Directors as the Chief Executive Officer at the time of signing was not available in Pakistan.

54.2 These consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company in its meeting held on 29 October 2024.

Murtaza Hashwani	Shakir Abu Bakar	Tahir Mahmood
Director	Director	Chief Financial Officer

Valued Shareholder,

Electronic Payment of Cash Dividends
In accordance with Section 242 of the Companies Act, 2017, and the Companies (Distribution of Dividends) Regulations, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP), it is mandatory for listed companies to pay cash dividends to shareholders only through electronic transfer directly into their bank accounts.

In this connection, it is necessary to provide complete bank mandate detail including IBAN number to credit the proceeds of the future dividends into your bank account. You are therefore required to provide complete bank mandate details with IBAN otherwise future dividend may be withheld.

For shareholders holding physical share certificates:
Please complete and submit the attached e-dividend mandate form to the Company's Share Registrar at the following address:

M/s. THK Associates (Pvt) Limited,

Plot No. 32-C, Jami Commercial Street 2, DHA Phase VII, Karachi

Phone: 021-111-000-322
E-mail: sfc@thk.com.pk

For shareholders holding shares electronically through the Central Depository Company (CDC):
Please submit your e-dividend mandate form to Investor Account Services or your respective broker.

The e-dividend mandate form is attached to the printed Annual Report and is also available on the Company's website at www.psl.com.pk.

For any queries or additional information, please contact the Company's Share Registrar at the phone number or email address provided above.

Yours faithfully,

for Pakistan Services Limited

Muhammad Amir
Company Secretary

PAKISTAN SERVICES LIMITED
FORM OF PROXY

I / We____of______________________ being a member of Pakistan Services Limited hereby appoint Mr./Ms./M/s.____ of ____failing whom Mr./Ms./M/s._____________________________________ of____________________ as my proxy to attend and act for me, and on my behalf, at the Annual General Meeting of the Company to be held on Monday, November 25, 2024 at 11:00 a.m. at Islamabad Marriott Hotel, and any adjournment thereof.

Dated this __________ day of _________ 2024.

Revenue Stamp Rs. 50/=

____
Specimen Signature of Proxy

Folio No. _______________________

Participant I.D. No._______________

Sub Account No._________________

____
Signature of Shareholder

Folio No._______________________

Participant I.D. No._______________

Sub Account No._________________

____
Specimen Signature of Alternate Proxy

Folio No._______________________

Participant I.D. No._______________

Sub Account No._________________

Witnesses:

1.	Signature	:_________________________	**2.**	Signature	:_________________________
	Date	:_________________________		Date	:_________________________
	Name	:_________________________		Name	:_________________________
	CNIC No.	:_________________________		CNIC No.	:_________________________
	Full Address	:_________________________		Full Address	:_________________________

Note:

i) A member eligible to attend, speak and vote at the AGM may appoint another member as his/her proxy who shall have such rights as narrated in Section 137 of the Companies Act, 2017.

ii) If a member is unable to attend the Meeting, he / she may appoint another member as his / her proxy and send this form to Pakistan Services Limited, 1st Floor, NESPAK House, Sector G-5/2, Islamabad to reach not less than 48 (no account shall be taken of any part of the day that is not a working day) hours before the time appointed for holding the meeting.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors’ Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پاکستان سروسز لمیٹڈ
پراکسی فارم

اختتام سال 30 جون 2024

میں/ہم .... سکنہ ....
بحیثیت ممبر (رکن) پاکستان سروسز لمیٹڈ بذریعہ ہذا مسمی/مسماة ....
سکنہ: ....
یا ان کی غیر حاضری کی صورت میں متبادل مسمی / مسماة .... سکنہ ....
.... کو اپنا پراکسی مقرر کرتا/کرتی ہوں جو کہ میری/ہماری عدم موجودگی کی صورت میں کمپنی کے سالانہ اجلاس عام جو کہ بروز *سوموار* مورخہ 25 *نومبر* 2024 کو اسلام آباد میریٹ ہوٹل میں منعقد ہوگا یا التواء کی صورت میں حاضر ہو کر میری/ہماری نمائندگی کرے۔

مورخہ .... بروز 2024

....
پراکسی کے دستخط کا نمونہ

پچاس روپے
مالیت کی
ریونیو ٹکٹ

فولیو نمبر ....
سی ڈی سی پارٹسپینٹ آئی ڈی نمبر ....
ذیلی اکاؤنٹ نمبر ....

ممبر (رکن) کا دستخط ....
فولیو نمبر ....
سی ڈی سی پارٹسپینٹ آئی ڈی نمبر ....
ذیلی اکاؤنٹ نمبر ....

متبادل پراکسی کے دستخط کا نمونہ ....
فولیو نمبر ....
سی ڈی سی پارٹسپینٹ آئی ڈی نمبر ....
ذیلی اکاؤنٹ نمبر ....

گواہان:
دستخط: ....
تاریخ: ....
نام: ....
سی این آئی سی نمبر: ....
مکمل پتہ: ....

گواہان:
دستخط: ....
تاریخ: ....
نام: ....
سی این آئی سی نمبر: ....
مکمل پتہ: ....

نوٹ:

(i) اے جی ایم میں شرکت کرنے، بولنے اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے جس کے پاس ایسے حقوق ہوں گے جو کمپنیز ایکٹ 2017 کے سیکشن 137 میں بیان کیے گئے ہیں۔
(ii) اگر کوئی ممبر اجلاس میں حاضر ہونے سے قاصر ہے تو وہ اپنا پراکسی تعینات کرنے کا مجاز ہے اور فارم ہذا کو اجلاس کے انعقاد کے لئے مقررہ وقت سے کم از کم 48 گھنٹے (دن کے کسی بھی حصے کا کوئی حساب نہیں لیا جائے گا جو کام کا دن نہ ہو۔) پہلے تک پاکستان سروسز لمیٹڈ واقع پہلی منزل، نیسپاک ہاؤس، سیکٹر G-5/2 اسلام آباد میں جمع کرا دے
(iii) پراکسی فارم کے ہمراہ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنا ہوں گی۔
(iv) اجلاس کے وقت پراکسی کو اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
(v) کمپنی ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بشمول نمونہ دستخط (بشرطیکہ پہلے سے کمپنی کو فراہم نہ کیا گیا ہو) پراکسی فارم کے ساتھ جمع کرنا ہوگا۔

E-DIVIDEND MANDATE FORM

To,
Investor Account Services - Central Depository Company of Pakistan Limited or **in case of a sub account with any of the broker participant, kindly convey information to your broker participant.**
OR
In case of Physical Shareholder
The Share Registrar
Pakistan Services Limited
M/s. THK Associates (Pvt) Limited,
Plot No. 32-C, Jami Commercial Street 2,
DHA Phase VII, Karachi
Phone: 021-111-000-322 E-mail: sfc@thk.com.pk

Participant Id	
Investor / Sub Account No.	
Folio number (Physical Shareholder)	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
Email address	

Authorized Signatories (to be signed as per operating instruction, in case of physical dispatch)

1) ________________________________ 2) ________________________________

3) ________________________________ 4) ________________________________

For information, how to fill the form:

A) **IBAN Number (24 Digit)** : **PK37 HABB 0000 0700 3333 9999 (example)**
B) **e mail investor account services CDC** : **ias-khi@cdcpak.com (example)**
C) **Independent Share Registrar** : **it@thk.com.pk (example)**
D) **CDC Participant** : **in case of a sub account with any of the broker participant, kindly convey information to your broker participant.**

NOTES

CIGAR LOUNGE, RUMANZA BY PEARL-CONTINENTAL, MULTAN

PSL

PAKISTAN SERVICES LTD.

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