

The logo for Pakistan Services Ltd. (PSL) is displayed in a large, white, serif font.

PAKISTAN SERVICES LTD.

The logo for Pearl-Continental Hotels & Resorts is displayed in a white, elegant, cursive script font.

Pearl-Continental

HOTELS & RESORTS

A photograph of a hotel room interior. In the foreground, a bed with a white sheet and a brown tufted headboard is visible. To the right, a brown patterned armchair sits on a light-colored carpet. A large window with brown curtains offers a view of a mountain range and greenery. A modern, cylindrical floor lamp stands near the window. The room is warmly lit, with light from the window and the floor lamp creating a cozy atmosphere.

Condensed Interim Financial Statements

For the three months period ended 30 September 2021



Pearl-Continental Hotel, Lahore



Pearl-Continental
HOTELS & RESORTS

CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the three months period ended 30 September 2021



PAKISTAN SERVICES LTD

Vision Statement

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

Mission Statement

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

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

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

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

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

CORPORATE INFORMATION

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 7 luxury hotels in Karachi, Lahore, Rawalpindi, Peshawar, Bhurban, Muzaffarabad and Malam Jabba comprising 1,618 rooms.

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

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

AUDIT COMMITTEE

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

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

BANKERS

National Bank of Pakistan
The Bank of Punjab
Habib Bank Limited
Soneri Bank Limited
United Bank Limited
Askari Bank Limited
JS Bank Limited
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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

Mr. Tahir Mahmood

SHARE REGISTRAR

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

Directors' Report

Dear Members,

The Board of Directors of Pakistan Services Limited (PSL) presents the condensed interim financial statements on the performance of the Company for the three months period ended 30 September 2021.

Economic Overview

The global economic recovery continues amid a resurging pandemic that poses unique economic, and social policy challenges, the policy choice has become more difficult, fostering multidimensional aspects like subdued employment growth, rising inflation, food insecurity, and the setback to human capital. Inflation has increased markedly as restrictions are relaxed, demand has accelerated, but supply chain is slower to respond.

Pakistan economy in post COVID-19 era is showing visible signs of improvement with healthy exports, increase in foreign reserve and reduction in current account deficit, however, the positive sentiments were slightly dampened by recurring waves of COVID-19 infections and substantial rise in inflation. The overall business activities are improved in recent past in construction, IT and Car manufacturing industry and registered healthy growth. Tourism activities are now resuming across the country and domestic tourism is quite visible.

The Government is focused on managing the repeated COVID-19 infection waves and is more keen to contain this virus through smart lockdowns and massive vaccination campaign and seems firm to encourage economic activities through following up COVID-19 guidelines to mitigate the further economic fallout.

Overall performance of the Company

The business of the Company is progressing, during the three-months period ended 30 September 2021, the Company recorded revenue (net) of Rs. 2,415 million, as compared to Rs. 1,274 million recorded in the corresponding period of the last year whereas the gross profit for the period under report was registered at Rs. 880 million as compared to Rs. 311 million of comparative period. Operating profit is recorded at Rs. 321 million as compared to loss of Rs. 42 million of the comparative period. The profit before tax is Rs. 24 million as compared to loss of Rs. 424 million of corresponding period of last year.

Highlights of Performance:

	For the three months' period ended 30 September	
	2021	2020
	[Rupees million]	
Sales and Services – net	2,415	1,274
Gross profit	880	311
Profit (loss) before taxation	24	[424]
Profit / [loss] after taxation	5	[457]
Profit / [loss] per share (Rupees)	0.15	[14.05]

Performance of Rooms Department

During the period Rooms Revenue-net was recorded at Rs. 1,031 million as against Rs. 541 million of the corresponding period of last year.

Performance of Food & Beverage (F&B) Department

Net revenue from this segment has been recorded at Rs. 1,199 million for the period under review as compared to Rs. 598 million of same period last year.

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

From this segment of business net revenue of Rs. 185 million has been achieved as compared to Rs. 135 million of the comparative period revenues.

Prospects

It is expected that business activities in Pakistan will grow and soon assume pre COVID-19 level. The government's timely measures helped in containing COVID-19 pandemic leading to continuation of economic recovery.

The government is aiming to improve tourism in the country, the Company foresees great opportunities in hospitality business in post COVID-19 scenario and is fully cognizant to tap those prospects with its unparalleled experience coupled with unmatched service standards

Consolidated Results

During the current period, the group recorded a revenue [net] of Rs. 2,442 million as compared to Rs. 1,282 million of the same period last year. Loss after taxation is recorded at Rs. 13 million in comparison with loss of Rs. 486 million of the corresponding period of the previous year.

Acknowledgement

On behalf of the Board, we thank the Company's staff for their dedicated professional services. We also extend our thanks to our consultants, bankers, and shareholders and in particular the Government Authorities for the advice, understanding, and support that are critical for the success of programs, projects, and business operations. And finally, we express our gratitude to our valued guests, who encourage and expect from the company and its staff to provide the best level of products and services to win their continued support and patronage.

For and on behalf of the Board of Directors,



M.A. Bawany
Director



Shakir Abu Bakar
Director

Islamabad: 27 October 2021

ڈائریکٹرز رپورٹ

محترم حصص داران:

پاکستان سروسز لمیٹڈ (پبلیس ایل) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

اقتصادی جائزہ:

باوجود Covid-19 صورتحال کے عالمی اقتصادی بحالی جاری ہے، Covid-19 کی وجہ سے مختلف اقتصادی اور سماجی چیلنجز کا سامنا ہے، جیسے بے روزگاری، بڑھتی ہوئی مہنگائی، غذائی عدم تحفظ، Covid-19 کی صورتحال میں بہتری کی وجہ سے طلب میں اضافہ ہوا ہے جس کی وجہ سے مہنگائی میں بھی اضافہ ہوا ہے۔

برآمدات اور غیر ملکی ذخائر میں اضافے اور کرنٹ اکاؤنٹ خسارے میں کمی پاکستان کی بہتر معیشت کی نشاندہی ہے، لیکن اس بہتری کے اثرات بڑھتی ہوئی مہنگائی کی وجہ سے واضح نہیں ہیں۔ مجموعی طور پر ملک میں کاروباری سرگرمیاں بہتر ہوئی ہیں۔ تعمیرات، آئی، ٹی اور آٹوموبائل انڈسٹری میں واضح بہتری ہے اور سیاحتی سرگرمیاں بھی ملک بھر میں دوبارہ سے شروع ہو گئی ہیں۔ حکومت کی توجہ Covid-19 کو کنٹرول کرنے کے ساتھ معاشی سرگرمیوں کو بحال رکھنے میں بھی ہے۔

سارٹ لاک ڈاؤن اور بڑے، پیمانے پر پیکسینیشن کی وجہ سے بھی معاشی سرگرمیوں میں بہتری آئی ہے۔

کمپنی کی مجموعی کارکردگی:

زیر جائزہ مدت کے دوران کمپنی کے کاروبار میں بہتری آئی ہے۔ 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی مدت کے دوران کمپنی نے 2,415 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 1,274 ملین روپے تھے۔

کمپنی کا مجموعی منافع 880 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 311 ملین روپے تھا۔ قبل از ٹیکس منافع گزشتہ برس کے اسی عرصے کے 424 ملین خسارے کے مقابلے میں 24 ملین روپے ریکارڈ کیا گیا۔

کارکردگی کی جھلکیاں:

	سہ ماہی مدت اختتام 30 ستمبر 2021	
	2021	2020
	(ملین روپے)	
فروخت اور خدمات (خالص)	2,415	1,274
کل منافع	880	311
منافع / خسارہ قبل از ٹیکس	24	(424)
منافع / خسارہ بعد از ٹیکس	5	(457)
فی حصہ آمدنی / (خسارہ) (روپے میں)	0.15	(14.05)

رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 541 ملین روپے کی نسبت آمدنی (خالص) 1,031 ملین روپے ریکارڈ کی گئی۔

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

اس شعبے کی خالص آمدن 1,199 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصے کے مقابلے میں 598 ملین روپے تھی۔

دیگر متعلقہ خدمات انسینس فیس/ٹریپول وٹورز ڈویژن کی کارکردگی:

اس شعبے میں زیر جائزہ عرصے کے دوران میں 185 ملین روپے کی آمدنی (خالص) حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصے کے مقابلے میں 135 ملین روپے تھی۔

مستقبل کے امکانات:

توقع ہے کہ پاکستان میں معاشی سرگرمیوں میں اضافہ ہوگا اور معاشی سرگرمیاں Covid-19 سے پہلے کے لیول پر آجائیں گی۔ حکومت کے بروقت اقدامات کی وجہ سے Covid-19 کی وبا پر قابو پانے میں مدد ملی جس کے نتیجے میں معاشی بحالی کا سلسلہ جاری ہے۔

حکومت ملک میں سیاحت کے فروغ کے لئے توجہ دے رہی ہے اور کمپنی اپنے تجربے اور بے مثال سروسز کے معیار کے ساتھ آنے والی معاشی اضافے سے فائدہ اٹھانے کی مکمل صلاحیت رکھی ہے

مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے 2,442 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں 1,282 ملین روپے تھے۔ گزشتہ برس کے 486 ملین روپے بعد از ٹیکس خسارہ کی نسبت موجودہ عرصہ میں 13 ملین روپے خسارہ ریکارڈ کیا گیا۔

اظہار تشکر:

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

منجانب بورڈ آف ڈائریکٹرز



شاہد ابوبکر
ڈائریکٹر



ایم۔ اے باوانی
ڈائریکٹر

اسلام آباد: 27 اکتوبر 2021



Pearl-Continental Hotel, Bhurban



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

For the three months period ended 30 September 2021

Condensed Interim Unconsolidated Statement of Financial Position

As at 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000]	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		4,815,093	4,810,061
Revaluation surplus on property, plant and equipment		29,105,049	29,105,049
Total equity		34,514,808	34,509,776
LIABILITIES			
Loans and borrowings	5	10,685,243	11,338,247
Lease liabilities	6	103,970	129,287
Deferred government grant		15,871	21,004
Employee benefits		697,124	684,741
Other non-current liabilities		16,181	18,801
Non current liabilities		11,518,389	12,192,080
Short term borrowings	7	2,401,639	2,612,631
Current portion of loans and borrowings	5	3,598,553	3,057,314
Current portion of lease liabilities		88,745	89,241
Trade and other payables	8	2,440,813	2,045,151
Contract liabilities		536,611	512,381
Advance against non-current assets held for sale		400,000	-
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		9,477,131	8,327,488
Total equity and liabilities		55,510,328	55,029,344
CONTINGENCIES AND COMMITMENTS	9		

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

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000]	
ASSETS			
Property, plant and equipment	10	39,634,992	39,716,318
Advances for capital expenditure	11	1,154,121	1,104,612
Intangible asset	12	152,774	75,585
Investment property		70,000	70,000
Long term investments		1,037,794	1,037,794
Advances against equity investment	13	3,175,571	3,325,571
Long term deposits		20,929	28,181
Deferred tax assets - net		91,175	79,502
Non-current assets		45,337,356	45,437,563
Inventories		374,034	355,806
Trade debts		618,231	404,972
Contract assets		27,970	22,863
Advances, prepayments, trade deposits and other receivables		420,312	298,225
Short term investments	14	1,286,431	1,288,487
Non-current assets held for sale	15	6,594,528	6,442,198
Advance income tax - net		514,266	495,508
Cash and bank balances		337,200	283,722
Current assets		10,172,972	9,591,781
Total assets		55,510,328	55,029,344



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)

For the three months period ended 30 September 2021

	Note	Unaudited 30 Sep 2021 [Rupees'000]	Unaudited 30 Sep 2020
Revenue - net	16	2,415,037	1,274,101
Cost of sales and services	17	[1,534,629]	[963,134]
Gross profit		880,408	310,967
Other income		56,418	39,749
Administrative expenses		[590,151]	[442,577]
Impairment [loss] / reversal on trade debts		[25,754]	50,291
Operating profit / [loss]		320,921	[41,570]
Finance income		13,919	7,405
[Loss] / gain on remeasurement of investments to fair value - net		[2,034]	41,544
Finance cost		[309,259]	[431,391]
Net finance cost		[297,374]	[382,442]
Profit / [loss] before taxation		23,547	[424,012]
Income tax		[18,515]	[32,935]
Profit / [loss] for the period		5,032	[456,947]
Profit / [loss] per share - basic and diluted [Rupees]	18	0.15	[14.05]

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



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the three months period ended 30 September 2021

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
Note	[Rupees'000]	
Profit / [loss] for the period	5,032	[456,947]
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>5,032</u>	<u>[456,947]</u>

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



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

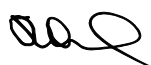
For the three months period ended 30 September 2021

	Note	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
		[Rupees'000]	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	19	638,556	168,967
Working capital changes			
(Increase) / decrease in current assets			
Inventories		[18,228]	[21,712]
Trade debts		[239,013]	[5,207]
Contract assets		[5,107]	[10,619]
Advances		1,573	[8,813]
Trade deposits and prepayments		[45,541]	[21,436]
Other receivables		[78,118]	24,273
Decrease / (increase) in liabilities			
Trade and other payables		318,425	[32,471]
Contract liabilities		24,230	42,443
Non-current liabilities		[2,620]	-
Cash used in operations		[44,399]	[33,542]
Staff retirement benefit - gratuity paid		[19,497]	[30,972]
Compensated leave absences paid		[4,347]	[21,351]
Income tax paid		[48,946]	[11,185]
Finance cost paid		[428,894]	[92,297]
Cash generated / (used in) from operations		92,473	[20,380]
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		[157,419]	[124,337]
Advance for capital expenditure		[49,509]	[4,900]
Payment for intangible asset		[14,965]	-
Proceeds from disposal of property, plant and equipment		145	28,250
Proceed against non current asset held for sale - net		-	149,134
Advance received against non current asset held for sale		400,000	-
Addition in non current asset held for sale		[84,285]	-
Refund of advance against equity from subsidiaries		150,000	-
Receipts of return on bank deposits and short term investments		11,861	14,475
Long term deposits and prepayments		7,252	2,128
Net cash generated from investing activities		263,080	64,750
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		[50,841]	-
Proceeds from long term financing		-	29,136
Repayment of Director loan		-	[150,000]
Lease liabilities paid		[25,813]	[28,256]
Net cash used in financing activities		[76,654]	[149,120]
Net increase / (decrease) in cash and cash equivalents		278,899	[104,750]
Cash and cash equivalents at beginning of the period		[2,294,564]	[2,228,578]
Cash and cash equivalents at end of the period	20	[2,015,665]	[2,333,328]

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



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2021

	Capital reserve		Revenue reserves		Total equity	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Unappropriated profit
	[Rupees'000]					
Balance at 01 July 2020	325,242	269,424	29,243,030	1,600,000	3,487,599	34,925,295
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(456,947)	(456,947)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period-[loss]	-	-	-	-	(456,947)	(456,947)
Balance at 30 September 2020	325,242	269,424	29,243,030	1,600,000	3,030,652	34,468,348
Balance at 01 July 2021	325,242	269,424	29,105,049	1,600,000	3,210,061	34,509,776
Total comprehensive income for the period						
Profit for the period	-	-	-	-	5,032	5,032
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	5,032	5,032
Balance at 30 September 2021	325,242	269,424	29,105,049	1,600,000	3,215,093	34,514,808

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



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

1 THE COMPANY AND ITS OPERATIONS

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

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

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim unconsolidated financial statements do not include the information that was reported in annual audited unconsolidated financial statements and should therefore be read in conjunction with the annual audited unconsolidated financial statements for the year ended 30 June 2021. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2021, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from unaudited interim unconsolidated financial statements for the three months period ended 30 September 2020.

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

3 ACCOUNTING POLICIES AND ESTIMATES

3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2021.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual unconsolidated financial statements of the Company for the year ended 30 June 2021.

Measurement of fair values

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

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

Significant valuation issues are reported to the Board.

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

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

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

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

3.3 Standards, interpretations and amendments to published 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 effective for accounting periods beginning on or after 01 January 2022 :

- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets [effective 01 January 2022]
- Amendments to IAS 1: Presentation of Financial Statements [effective 01 January 2023]
- Amendments to IAS 16: Property, Plant and Equipment [effective 01 January 2022]
- Amendments to IFRS 3: Business Combinations [effective 01 January 2022]
- Annual improvement 2018-2020 , IFRS-9, IFRS-16, IAS-41 [effective 01 January 2022]

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

4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Company from 30 June 2021.

	Unaudited 30 Sep 2021	Audited 30 June 2021
	[Rupees'000]	
5 LOANS AND BORROWINGS - Secured		
a. Non current portion		
Term Finance Loan - 1	539,515	539,515
Term Finance Loan - 2	1,679,577	1,679,577
Term Finance Loan - 3	1,932,879	1,932,879
Term Finance Loan - 4	1,984,476	1,984,476
Term Finance Loan - 5	238,332	284,040
Sukuk	6,455,742	6,455,742
Transaction cost	[26,227]	[28,056]
	<u>12,804,294</u>	<u>12,848,173</u>
Current portion of loans	[2,717,694]	[2,334,690]
	<u>10,086,600</u>	<u>10,513,483</u>
Markup accrued	598,643	824,764
	<u>10,685,243</u>	<u>11,338,247</u>
b. Current portion		
Current portion of loans	2,717,694	2,334,690
Markup accrued	880,859	722,624
	<u>3,598,553</u>	<u>3,057,314</u>

5.1 The markup rates, facility limits, and securities offered for long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

6 LEASE LIABILITIES	Note	Unaudited	Audited
		30 Sep 2021	30 June 2021
		[Rupees'000']	
Opening		218,528	315,482
Additions during the period/ year		-	5,038
Interest expense		3,784	24,097
Lease payments		(29,597)	(124,005)
Lease modification		-	(2,084)
Closing		192,715	218,528
Current portion		88,745	89,241
Non-current portion		103,970	129,287
7 SHORT TERM BORROWINGS			
Running finance facilities - from banking companies- secured	7.1	2,352,541	2,578,000
Markup accrued		49,098	34,631
		2,401,639	2,612,631

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021.

8 TRADE AND OTHER PAYABLES	Note	Unaudited	Audited
		30 Sep 2021	30 June 2021
		[Rupees'000']	
Creditors		1,176,521	886,185
Accrued liabilities		498,461	490,551
Shop deposits		49,743	49,743
Retention money		145,551	141,683
Due to related parties - unsecured		42,126	36,020
Sales tax payable		184,306	117,915
Income tax deducted at source		2,928	3,497
Un earned income		29,610	52,605
Other liabilities	8.1	311,567	266,952
		2,440,813	2,045,151

8.1 This includes amount of Rs. 63.91 million [30 June 2021: Rs. 63.91 million] payable to director of the Company.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

	Note	Unaudited 30 Sep 2021 (Rupees'000)	Audited 30 June 2021
9.1.2 Guarantees		310,342	310,342
9.2 Commitments			
Commitments for capital expenditure		3,759,603	3,789,933
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	35,802,243	36,036,481
Capital work in progress	10.2	3,832,749	3,679,837
		39,634,992	39,716,318
10.1 Operating fixed assets			
Carrying amount at beginning of the period / year		36,036,481	37,059,317
Additions during the period / year	10.2.2	4,507	121,283
Transfer from Capital work in progress		-	691,969
Asset classified as held for sale		-	(815,116)
Disposal during the period / year		(137)	(1,773)
Lease termination		-	(23,714)
Depreciation charge for the period / year	10.2.2	(238,608)	(995,485)
Carrying amount at end of the period / year		35,802,243	36,036,481
10.2 Capital work in progress			
Carrying amount at beginning of the period / year		3,679,837	6,679,529
Additions during the period / year		152,912	1,045,220
Transferred to operating fixed assets		-	(691,969)
Transfers to non-current asset held for sale		-	(3,258,553)
Write down adjustment		-	(94,390)
Carrying amount at end of the period / year		3,832,749	3,679,837
10.2.1 Closing capital work in progress represents:			
Construction of Pearl Continental Hotel Mirpur		3,576,819	3,574,120
Other civil works		255,930	105,717
Construction of Pearl Continental Hotel Multan		-	3,258,553
less: transfers to non-current assets held for sale		-	(3,258,553)
		3,832,749	3,679,837

10.2.2 Additions in and depreciation on property, plant and equipment during the three months period ended 30 September 2020 were Rs. 236.88 million and Rs. 255.94 million respectively.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	(Rupees'000')	
11 ADVANCE FOR CAPITAL EXPENDITURE			
Advance for purchase of land	11.1	666,820	666,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,008,476	1,008,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		59,088	11,087
Advances for Pearl Continental Mirpur Project		86,557	85,049
Advances for Pearl Continental Multan Project		-	74,906
Transferred to non-current assets held for sale		-	(74,906)
		145,645	96,136
		1,154,121	1,104,612

11.1 This includes amount of Rs. 626.82 million (30 June 2021: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar. In previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Company to place the matter before the shareholders of the Company in the forthcoming general meeting to seek their approvals in terms of section 199 of the Companies Act, 2017. The directors of the Company has filed an appeal with the SECP which is pending. Management believes that the matter has no impact on the Company's financial statements, however in the last annual general meeting the company has placed the matter before the shareholders of the Company and obtained their approvals without admitting to any assertions of SECP on applicability of provisions of Section-199 of the Companies Act, 2017 and the aforesaid approval is on non-prejudiced basis, in terms of section 199 of the Companies Act, 2017

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000']	
12 INTANGIBLE ASSET			
Software		152,774	75,585
Cost			
Opening balance		107,978	-
Additions	12.1	92,202	107,978
Closing balance		200,180	107,978
Accumulated amortisation			
Opening balance		32,393	-
Amortisation charge		15,013	32,393
Closing balance		47,406	32,393
Net book value			
Cost		200,180	107,978
Accumulated amortisation		(47,406)	(32,393)
Closing balance		152,774	75,585
Amortization rate per annum		30%	30%

12.1 This represents the computer software acquired during the period. The purchase consideration is payable in monthly installments over a period of one year and the outstanding liability of Rs. 92.202 million is included in the trade and other payables.

13 ADVANCE AGAINST EQUITY INVESTMENT

These represent advances against equity investments of Rs. 2,301.57 million (30 June 2021: Rs.2,371.57 million) and Rs. 874 million (30 June 2021: Rs.954 million) extended by the Company to its wholly owned subsidiary companies City Properties (Private) Limited and Elite Properties (Private) Limited respectively.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

14 SHORT TERM INVESTMENTS	Note	Unaudited 30 Sep 2021 (Rupees'000')	Audited 30 June 2021
<i>Amortized cost</i>			
Certificate of investments		5,300	5,300
Provision for impairment loss		(5,300)	(5,300)
		-	-
<i>Fair value through other comprehensive income</i>			
National Technology Development Corporation Limited		200	200
Indus Valley Solvent Oil Extraction Limited		500	500
Impairment loss		(700)	(700)
		-	-
<i>Amortized cost</i>			
Term deposit receipt		565,523	565,523
Term Finance certificate		75,000	75,000
Accrued interest		7,029	7,050
		647,552	647,573
<i>Financial assets at fair value through profit or loss</i>			
Short term investments in shares of listed companies	14.1	638,879	640,914
		<u>1,286,431</u>	<u>1,288,487</u>

14.1 This mainly includes investment in an associated company having carrying value of Rs.632.38 million (30 June 2021 : Rs. 633.13 million).

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

15 NON CURRENT ASSET HELD FOR SALE	Unaudited 30 Sep 2021 (Rupees'000')	Audited 30 June 2021
Property	2,748,739	2,748,739
Under construction Hotel Pearl Continental Multan	3,845,788	3,693,459
	<u>6,594,528</u>	<u>6,442,198</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

16 REVENUE- NET	Note	Unaudited	Unaudited
		30 Sep 2021	30 Sep 2020
		(Rupees'000)	
Rooms		1,111,072	591,146
Food and beverages		1,530,389	753,626
Other related services	16.1	188,302	126,332
Shop license fees		14,595	10,104
Franchise & management fee revenue		24,735	20,051
		2,869,093	1,501,259
Discounts		(68,797)	(20,313)
Sales tax		(385,259)	(206,845)
		2,415,037	1,274,101

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

17 COST OF SALES AND SERVICES	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020
		(Rupees'000)
Food and beverages		
Opening balance	170,716	74,064
Purchases during the period	519,447	278,195
Closing balance	(233,517)	(90,651)
Consumption during the period	456,646	261,608
Direct expenses		
Salaries, wages and benefits	348,317	192,070
Heat, light and power	294,863	165,446
Repair and maintenance	72,261	42,012
Depreciation	197,857	209,813
Software amortization	13,512	-
Guest supplies	56,574	29,435
Linen, china and glassware	20,885	6,043
Communication	1,896	1,574
Laundry and dry cleaning	17,098	8,036
Banquet and decoration	6,158	2,505
Transportation	4,547	1,405
Uniforms	4,057	2,852
Music and entertainment	3,235	1,507
Franchise fee	-	4,397
Others	36,723	34,431
	1,534,629	963,134

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
	[Rupees'000]	
18 PROFIT / [LOSS] PER SHARE		
Profit / [loss] for the period [Rupees '000]	5,032	[456,947]
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170
Profit / [loss] per share - basic [Rupees]	0.15	[14.05]
18.1 There is no dilution effect on the basic earnings per share of the Company.		
19 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
	[Rupees'000]	
Profit / [loss] before tax	23,547	[424,012]
Adjustments for:		
Depreciation	238,608	255,943
Amortization	15,013	-
Gain on disposal of property, plant and equipment	[8]	[15,870]
Provision for staff retirement benefit - gratuity	25,114	13,127
Provision for compensated leave absences	11,113	11,119
Impairment [loss] / reversal on trade debts	25,754	[50,291]
Return on bank deposits / certificate of investments	[11,878]	[9,760]
Finance cost	309,259	431,391
Gain on disposal of held for sale asset	-	[1,136]
Unrealised loss / [gain] on remeasurement of investments to fair value	2,034	[41,544]
	638,556	168,967
20 CASH AND CASH EQUIVALENTS		
Cash and bank balances	337,200	180,808
Short term borrowings	[2,401,639]	[2,560,851]
Accrued markup on short term borrowings	49,098	47,166
Accrued profit on bank deposits	[324]	[451]
	[2,015,665]	[2,333,328]
21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
	[Rupees'000]	
Transactions and balances with subsidiary companies		
Sales	544	278
Services provided	1,444	956
Services availed	14,437	6,539
Refund of advance against equity	150,000	-
Fund received/ current account	20,000	-
Fund repaid/ current account	20,000	-
Balances as at the period end:		
- Trade debts	3,379	*2,469
- Long term investments	1,037,794	*1,037,794
Transactions and balances with associated undertakings		
Sales	196	30
Services provided	2,376	771
Services availed	76,487	60,901
Purchases	9,527	16,114
Franchise fee - income	1,098	686
Franchise and management fee - expense	-	1,113
Balances as at the period end:		
- Trade debts	6,049	*7,572
- Advances, deposits and prepayments	6,194	*17,644
Transactions and balances with other related parties		
Sales	196	265
Services provided	47	15
Services availed	-	1,002
Purchases	-	3,034
Contribution to defined contribution plan - provident fund	11,746	11,154
Balances as at the period end:		
- Trade debts	383	*473
- Advance for capital expenditure	626,820	*626,820
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	55,802	33,579
Refund of loan to Director	-	150,000

* Represents balances as at 30 June 2021.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

22.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Amortized cost	Financial Liabilities Amortized cost					
30 September 2021									
Financial assets measured at fair value									
Short term investments		638,879	-	-	638,879	638,879	-	-	638,879
Long term deposits		20,929	-	-	20,929	-	-	20,929	20,929
Short term deposits		15,743	-	-	15,743	-	-	15,743	15,743
		<u>675,551</u>	<u>-</u>	<u>-</u>	<u>675,551</u>	<u>638,879</u>	<u>-</u>	<u>36,672</u>	<u>675,551</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	618,231	-	618,231	-	-	-	-
Contract assets		-	27,970	-	27,970	-	-	-	-
Advance to employees		-	7,291	-	7,291	-	-	-	-
Other receivables		-	83,843	-	83,843	-	-	-	-
Short term investments		-	640,523	-	640,523	-	-	-	-
Cash and bank balances		-	337,200	-	337,200	-	-	-	-
		<u>-</u>	<u>1,715,058</u>	<u>-</u>	<u>1,715,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	22.2	-	-	14,283,796	-	-	-	-	-
Short term borrowings		-	-	2,401,639	-	-	-	-	-
Lease liabilities		-	-	192,715	-	-	-	-	-
Trade and other payables	22.3	-	-	2,226,897	-	-	-	-	-
Unclaimed dividend		-	-	1,528	-	-	-	-	-
Unpaid dividend		-	-	9,242	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,115,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2021									
Financial assets measured at fair value									
Short term investment		640,914	-	-	640,914	640,914	-	-	640,914
Long term deposits		28,181	-	-	28,181	-	-	28,181	28,181
Short term deposits		15,143	-	-	15,143	-	-	15,143	15,143
		<u>684,238</u>	<u>-</u>	<u>-</u>	<u>684,238</u>	<u>640,914</u>	<u>-</u>	<u>43,324</u>	<u>684,238</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	404,972	-	404,972	-	-	-	-
Contract assets		-	22,863	-	22,863	-	-	-	-
Advance to employees		-	7,942	-	7,942	-	-	-	-
Other receivables		-	58,153	-	58,153	-	-	-	-
Short term investments		-	640,523	-	640,523	-	-	-	-
Cash and bank balances		-	283,722	-	283,722	-	-	-	-
		<u>-</u>	<u>1,418,175</u>	<u>-</u>	<u>1,418,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	22.2	-	-	14,423,617	-	-	-	-	-
Other non-current liabilities		-	-	18,801	-	-	-	-	-
Short term borrowings		-	-	2,612,631	-	-	-	-	-
Lease liabilities		-	-	218,528	-	-	-	-	-
Trade and other payables	22.3	-	-	1,871,134	-	-	-	-	-
Unclaimed dividend		-	-	9,242	-	-	-	-	-
Unpaid dividend		-	-	1,528	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,155,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

22.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.

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

23 CORRESPONDING FIGURES

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

Description of item	Reclassified from	Reclassified to	Amount (Rupees'000)
Franchise & management fee revenue	Other Income	Revenue	20,051

24 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on 27 October, 2021.



M.A. Bawany
Director



Shakir Abu Bakar
Director



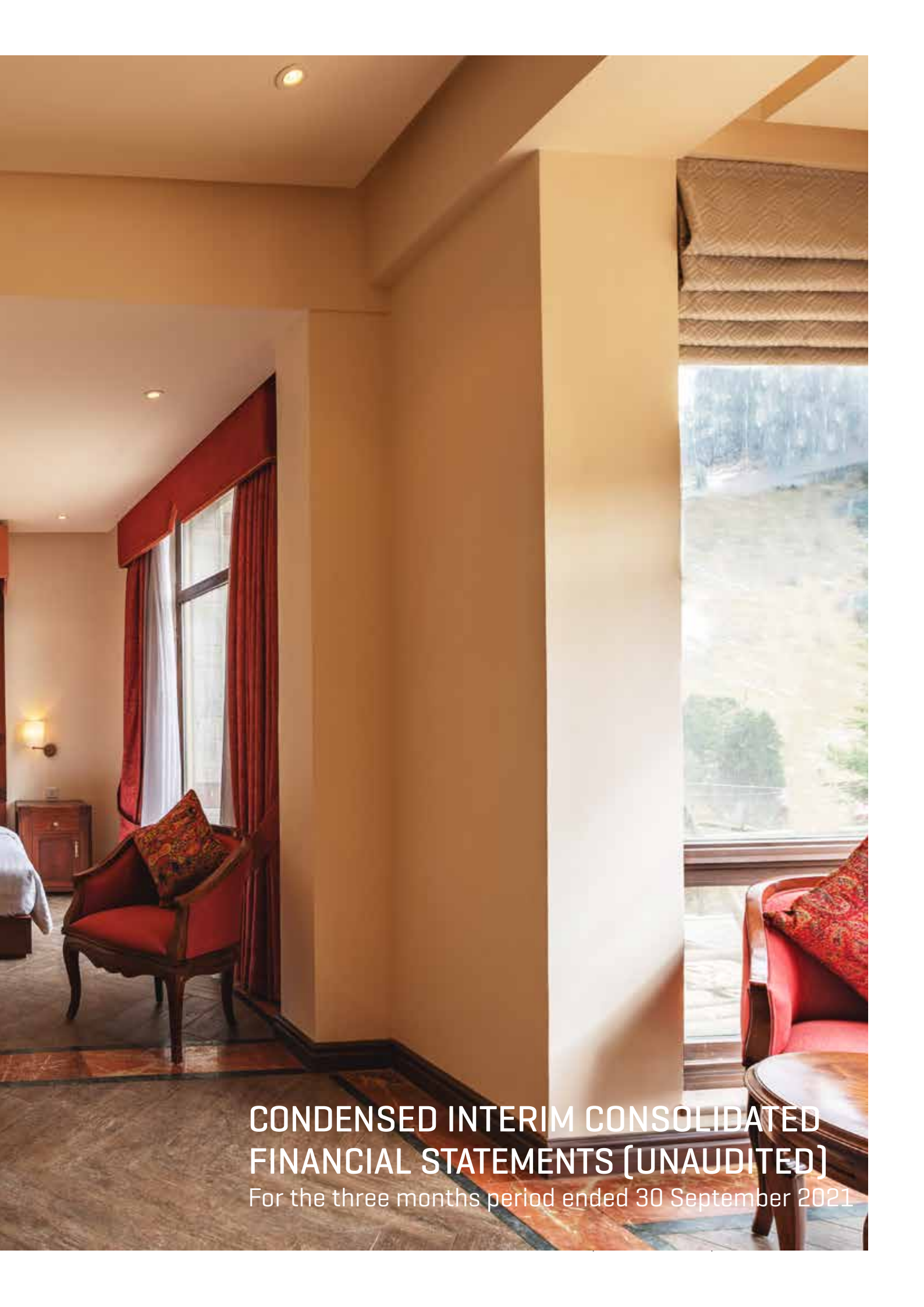
Tahir Mahmood
Chief Financial Officer



Pearl-Continental Hotel, Karachi



Pearl-Continental Hotel, Malam Jabba



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS [UNAUDITED]**
For the three months period ended 30 September 2021

Condensed Interim Consolidated Statement of Financial Position

As at 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000]	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		416,645	416,645
Revenue reserves		3,936,927	3,943,858
Revaluation surplus on property, plant and equipment		29,105,050	29,105,050
Equity attributable to owners		33,783,864	33,790,795
Non-controlling interest		222,512	187,871
Total equity		34,006,376	33,978,666
LIABILITIES			
Loans and borrowings	5	10,992,711	11,619,133
Lease liabilities	6	127,194	130,958
Deferred government grant		16,108	21,333
Employee benefits		727,889	715,161
Deferred tax liability - net		216,939	231,963
Other non-current liability		16,181	18,801
Non current liabilities		12,097,022	12,737,349
Short term borrowings	7	2,912,644	3,139,289
Current portion of loans and borrowings	5	3,602,201	3,077,891
Current portion of lease liabilities		110,776	108,699
Trade and other payables	8	2,741,457	2,143,586
Contract liabilities		536,611	512,381
Advance against non-current assets held for sale		400,000	-
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		10,314,459	8,992,616
Total equity and liabilities		56,417,857	55,708,631
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1 to 23 form an integral part of these interim consolidated financial statements.

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000]	
ASSETS			
Property, plant and equipment	10	39,769,585	39,821,824
Advances for capital expenditure	11	1,154,121	1,104,612
Intangible asset	12	332,872	252,320
Investment property		70,000	70,000
Long term investments		632,380	633,133
Long term deposits and prepayments		20,928	28,181
Advance against equity	13	964,381	925,139
Non-current assets		42,944,267	42,835,209
Inventories		376,961	358,918
Development properties		3,692,801	3,692,801
Trade debts		637,246	418,084
Contract assets		27,970	22,863
Advances, prepayments, trade deposits and other receivables		483,803	337,719
Short term investments	14	657,151	658,453
Assets held for sale	15	6,594,528	6,442,198
Advance income tax - net		566,893	548,272
Cash and bank balances		436,237	394,114
Current assets		13,473,590	12,873,422
Total assets		56,417,857	55,708,631



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

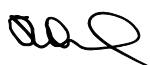
For the three months period ended 30 September 2021

	Note	Unaudited 30 Sep 2021 (Rupees'000)	Unaudited 30 Sep 2020
Revenue - net	16	2,441,749	1,281,593
Cost of sales and services	17	(1,554,838)	(977,733)
Gross profit		886,911	303,860
Other income		56,578	39,739
Administrative expenses		(606,329)	(467,989)
Impairment [loss] / reversal on trade debts		(25,754)	50,291
Operating Profit / [loss]		311,406	[74,099]
Finance [loss] / income		(12,324)	25,310
[Loss] / gain on remeasurement of investments to fair value - net		(1,281)	1,193
Finance cost		(321,091)	(432,628)
Net finance cost		(334,696)	(406,125)
Share of profit in equity accounted investments		26,290	23,154
Profit / [loss] before taxation		3,000	(457,070)
Income tax		(15,976)	(29,184)
Loss for the period		(12,976)	(486,254)
Loss attributable to:			
Owners of the Company		(6,931)	(480,490)
Non-controlling interests		(6,045)	(5,764)
		(12,976)	(486,254)

The annexed notes 1 to 23 form an integral part of these interim consolidated financial statements.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

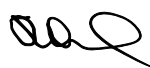
For the three months period ended 30 September 2021

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
Note	[Rupees'000]	
Loss for the period	(12,976)	(486,254)
Other comprehensive income for the period	-	-
Total comprehensive income for the period- [loss]	(12,976)	(486,254)
Total comprehensive income- [loss] attributable to:		
Owners of the Company	(6,931)	(480,490)
Non-controlling interests	(6,045)	(5,764)
	(12,976)	(486,254)

The annexed notes 1 to 23 form an integral part of these interim consolidated financial statements.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the three months period ended 30 September 2021

	Note	Unaudited 30 Sep 2021 (Rupees'000)	Unaudited 30 Sep 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	18	635,604	142,651
Working capital changes			
(Increase) / decrease in current assets			
Inventories		(18,043)	(22,091)
Trade debts		(244,916)	2,024
Development property		-	5,243
Contract assets		(5,107)	(10,619)
Advances		1,089	(10,804)
Trade deposits and prepayments		(45,685)	(21,889)
Other receivables		(101,488)	28,877
Increase in trade and other payables		520,634	(228,727)
Contract liabilities		24,230	42,443
Non-current liabilities		(2,620)	-
Cash generated / (used in) operations		128,094	(215,543)
Staff retirement benefit - gratuity paid		(19,551)	(33,799)
Compensated leave absences paid		(4,398)	(21,484)
Income tax paid		(49,621)	(11,870)
Finance cost paid		(430,198)	(93,534)
Cash generated / (used in) operations		259,930	(233,579)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(161,572)	(124,337)
Advance for capital expenditure		(49,509)	(4,900)
Development expenditure		-	(5,390)
Payment for intangible asset		(18,328)	-
Proceeds from disposal of property, plant and equipment		145	28,250
Advance against equity investment		(39,242)	(50,400)
Addition in non current asset held for sale		(84,285)	-
Advance received against non current asset held for sale		400,000	149,136
Short term investment		-	47
Receipts of return on bank deposits and short term investments		12,698	15,370
Long term deposits and prepayments		7,253	(5,675)
Net cash generated in investing activities		67,160	2,101
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(51,807)	-
Proceeds from long term financing		-	29,136
Repayment of Director loan		-	(150,000)
Repayment of short term loan		(15,653)	-
Advance against issuance of shares		40,686	-
Proceeds from short term loans		-	269,527
Repayment of lease liability		(32,735)	(25,663)
Net cash generated / (used in) financing activities		(59,509)	123,000
Net increase / (decrease) in cash and cash equivalents		267,581	(108,478)
Cash and cash equivalents at beginning of the period		(2,184,209)	(2,141,192)
Cash and cash equivalents at end of the period	19	(1,916,628)	(2,249,670)

The annexed notes 1 to 23 form an integral part of these interim consolidated financial statements.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2021

Share capital	Capital reserve		Revenue reserves				Surplus on revaluation of property, plant and equipment	Total	Non controlling Interest	Total Equity	
	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Share of other OCI items of associate	Unappropriated profit					
(Rupees'000)											
Balance at 01 July 2020	325,242	269,424	147,221	1,600,000	1,137,393	46,808	1,636,629	29,243,031	34,405,748	79,909	34,485,657
Total comprehensive income for the period	-	-	-	-	-	-	(480,490)	-	(480,490)	(5,764)	(486,254)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period - loss	-	-	-	-	-	-	(480,490)	-	(480,490)	(5,764)	(486,254)
Balance at 30 September 2020	325,242	269,424	147,221	1,600,000	1,137,393	46,808	1,156,139	29,243,031	33,925,258	74,145	33,999,403
Balance at 01 July 2021	325,242	269,424	147,221	1,600,000	1,050,550	49,004	1,244,304	29,105,050	33,790,795	187,871	33,978,666
Total comprehensive income for the year	-	-	-	-	-	-	(6,931)	-	(6,931)	(6,045)	(12,976)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	40,686	40,686
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period - loss	-	-	-	-	-	-	(6,931)	-	(6,931)	34,641	27,710
Balance at 30 September 2021	325,242	269,424	147,221	1,600,000	1,050,550	49,004	1,237,373	29,105,050	33,783,864	222,512	34,006,376

The annexed notes 1 to 23 form an integral part of these interim consolidated financial statements.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

1 THE GROUP AND ITS OPERATIONS

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

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

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

Subsidiary Companies	Nature of business	Holding
Pearl Tours and Travels (Private) Limited	Rent-a-car, tour packages and travel related work	100%
Pearl Continental Hotels (Private) Limited	Non-operational	100%
City Properties (Private) Limited	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim consolidated financial statements do not include the information that was reported in annual audited consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements for the year ended 30 June 2021. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2021, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from unaudited interim consolidated financial statements for the three months period ended 30 September 2020.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

3 ACCOUNTING POLICIES AND ESTIMATES

3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements of the Group for the year ended 30 June 2021.

3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

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

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

Significant valuation issues are reported to the Board.

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

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

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

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

3.3 Standards, interpretations and amendments to published 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 effective for accounting periods beginning on or after 01 January 2022 :

- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets [effective 01 January 2022]
- Amendments to IAS 1: Presentation of Financial Statements [effective 01 January 2023]
- Amendments to IAS 16: Property, Plant and Equipment [effective 01 January 2022]
- Amendments to IFRS 3: Business Combinations [effective 01 January 2022]
- Annual improvement 2018-2020 , IFRS-9, IFRS-16, IAS-41 [effective 01 January 2022]

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

4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Parent Company from 30 June 2021.

	Unaudited 30 Sep 2021	Audited 30 June 2021
	(Rupees'000)	
5 LOANS AND BORROWINGS - Secured		
a. Non current portion		
Term Finance Loan - 1	539,515	539,515
Term Finance Loan - 2	1,679,577	1,679,577
Term Finance Loan - 3	1,932,879	1,932,879
Term Finance Loan - 4	1,984,476	1,984,476
Term Finance Loan - 5	242,931	289,513
Sukuk	6,455,742	6,455,742
Preference shares	279,000	279,000
Transaction cost	(26,227)	(28,056)
	13,087,893	13,132,646
Current portion of loans	(2,721,342)	(2,338,277)
	10,366,551	10,794,369
Markup accrued	626,160	824,764
	10,992,711	11,619,133
b. Current portion		
Current portion of loans	2,721,342	2,338,277
Markup accrued	880,859	739,614
	3,602,201	3,077,891

5.1 The markup rates, facility limits, and securities offered for long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2021.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000']	
6 LEASE LIABILITIES			
Opening		239,657	359,084
Interest expense		4,944	26,886
Additions		31,048	5,692
Payments		[37,679]	[148,452]
Lease modification		-	[3,553]
Closing		<u>237,970</u>	<u>239,657</u>
Current portion		<u>110,776</u>	<u>108,699</u>
Non-current portion		<u>127,194</u>	<u>130,958</u>
7 SHORT TERM BORROWINGS			
Running finance facilities - from banking companies- secured	7.1	2,352,541	2,578,000
Short term loan - unsecured	7.2	511,005	526,658
Markup accrued		49,098	34,631
		<u>2,912,644</u>	<u>3,139,289</u>

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2021.

7.2 This includes loan from directors Rs. 172.59 million [30 June 2021: Rs. 172.59 million] and from related parties Rs. 338.42 million [30 June 2021 : Rs. 354.06 million.]

		Unaudited 30 Sep 2021	Audited 30 June 2021
		[Rupees'000]	
8 TRADE AND OTHER PAYABLES			
Creditors		1,266,786	899,765
Accrued liabilities		510,336	494,469
Shop deposits		49,743	49,743
Retention money		145,551	141,683
Due to related parties - unsecured		46,389	40,687
Sales tax payable		184,306	117,915
Income tax deducted at source		15,900	14,087
Un earned income		29,610	52,605
Payable to provident fund		7,604	7,604
Other liabilities		485,232	325,029
		<u>2,741,457</u>	<u>2,143,586</u>

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

	Note	Unaudited 30 Sep 2021 [Rupees'000]	Audited 30 June 2021
9.1.2 Guarantees		310,778	311,478
9.2 Commitments			
Commitments for capital expenditure		3,759,603	3,789,933
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	35,936,836	36,141,987
Capital work in progress	10.2	3,832,749	3,679,837
		39,769,585	39,821,824
10.1 Operating fixed assets			
Carrying amount at beginning of the period / year		36,141,987	37,191,636
Additions during the period / year	10.2.2	39,706	124,822
Transfer from Capital work in progress		-	691,969
Asset classified as held for sale		-	[815,115]
Disposal during the period / year		[137]	[8,659]
Lease termination		-	[24,995]
Depreciation charge for the period / year	10.2.2	[244,720]	[1,017,671]
Carrying amount at end of the period / year		35,936,836	36,141,987
10.2 Capital work in progress			
Carrying amount at beginning of the period / year		3,679,837	6,679,529
Additions during the period / year		152,912	1,045,220
Transfers to operating fixed assets		-	[691,969]
Transfers to non-current asset held for sale		-	[3,258,553]
Written down adjustment		-	[94,390]
Carrying amount at end of the period / year	10.2.1	3,832,749	3,679,837
10.2.1 Closing capital work in progress represents:			
Construction of Pearl Continental Mirpur		3,576,819	3,574,120
Other civil works		255,930	105,717
Construction of Pearl Continental Multan		-	3,258,553
Transfers to non-current asset held for sale		-	[3,258,553]
		3,832,749	3,679,837

10.2.2 Additions in and depreciation on property, plant and equipment during the three months period ended 30 September 2020 were Rs. 236.84 million and Rs. 262.09 million respectively.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	(Rupees'000')	
11 ADVANCE FOR CAPITAL EXPENDITURE			
Advance for purchase of land	11.1	666,820	666,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,008,476	1,008,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		59,088	11,087
Advances for Pearl Continental Multan Project		-	74,906
Transferred to non current asset held for sale		-	(74,906)
Advances for Pearl Continental Mirpur Project		86,557	85,049
		145,645	96,136
		1,154,121	1,104,612

11.1 This includes amount of Rs. 626.82 million (2021: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar. During the previous year, 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 forthcoming general meeting to seek their approvals in terms of section 199 of the Companies Act, 2017. The directors of the Parent Company has filed an appeal with the SECP which is pending. Management believes that the matter has no impact on the Parent Company's financial statements, however in the last annual general meeting the parent company has placed the matter before the shareholders of the Company and obtained their approvals without admitting to any assertions of SECP on applicability of provisions of Section-199 of the Companies Act, 2017 and the aforesaid approval is on non-prejudiced basis, in terms of section 199 of the Companies Act, 2017.

11.2 This represents amount paid for purchase of 1/3rd share (113.34 acres of land) from Ms. Seema Tressa Gill's situated in Deh Dih in the Delta of Malir River. The 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 is hopeful of a favorable result. However, even if there is an adverse decision as per legal opinion, the Parent Company would be entitled to recover the amounts from the Seller as well as from the relevant Government Department. In this regard the paid Challan for regularization fee also states that Subject to the condition that the land in question is available on site and the lease money may be deposited into Government Treasury in the relevant Head of Accounts by the depositor at his own risk. In case if any irregularity/false information/ concealment of facts/ stay of court is noticed hereafter, the malkano amount paid to this effect by the depositor shall be reimbursed.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000']	
12 INTANGIBLE ASSETS			
Project under development		180,099	176,736
Software		152,773	75,584
		332,872	252,320
Cost			
Opening balance		284,713	160,930
Additions : Project under development		3,363	15,806
Additions : Software	12.1	92,202	107,977
Closing balance		380,278	284,713
Accumulated amortisation			
Opening balance		32,393	-
Amortisation charge		15,013	32,393
Closing balance		47,406	32,393
Net book value			
Cost		380,278	284,713
Accumulated amortisation		47,406	32,393
Closing balance		332,872	252,320
Amortisation rate per annum			
Project under development		5%	5%
Software		30%	30%

12.1 This represents the computer software acquired during the period. The purchase consideration is payable in monthly installments over a period of one year and the outstanding liability of Rs. 92.202 million is included in the trade and other payables.

		Unaudited 30 Sep 2021	Audited 30 June 2021
	Note	[Rupees'000']	
13 ADVANCE AGAINST EQUITY INVESTMENT			
Foreepay (Private) Limited	13.1	717,230	678,530
Xoop Technologies (Private) Limited		247,151	246,609
		964,381	925,139

13.1 The Group has signed a share purchase agreement with Foreepay (Private) Limited for purchase of 99% shareholding and the associated company is in process of obtaining approval.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

		Unaudited 30 Sep 2021	Audited 30 June 2021
		[Rupees'000]	
14	SHORT TERM INVESTMENTS		
	<i>Amortized cost</i>		
	Certificate of investments	5,300	5,300
	Provision for impairment loss	(5,300)	(5,300)
		-	-
	<i>Fair value through other comprehensive income</i>		
	National Technology Development Corporation Limited	200	200
	Indus Valley Solvent Oil Extraction Limited	500	500
	Impairment loss	(700)	(700)
		-	-
	<i>Amortized cost</i>		
	Term Deposit Receipts	565,523	565,523
	Term Finance Certificate	75,000	75,000
	Mutual Fund	3,099	3,099
	Interest accrued	7,029	7,050
		650,651	650,672
	<i>Financial assets at fair value through profit or loss</i>		
	Short term investments in shares of listed companies	6,500	7,781
		657,151	658,453
15	NON CURRENT ASSET HELD FOR SALE		
	Property	2,748,739	2,748,739
	Under construction Hotel Pearl Continental Multan	3,845,788	3,693,459
		6,594,528	6,442,198
16	REVENUE- NET	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
		[Rupees'000]	
		Note	
	Rooms	1,109,628	590,190
	Food and beverages	1,529,849	753,348
	Other related services	191,314	126,332
	Franchise & management fee revenue	24,735	20,051
	Vehicles rental	37,079	9,654
	Shop license fees	14,595	11,023
		2,907,200	1,510,598
	Discounts	(75,869)	(21,014)
	Sales tax	(389,582)	(207,991)
		2,441,749	1,281,593

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2020
	[Rupees'000]	
17 COST OF SALES AND SERVICES		
Food and beverages		
Opening balance	170,716	74,064
Purchases during the period	519,447	278,195
Closing balance	(233,517)	(90,651)
Consumption during the period	456,646	261,608
Direct expenses		
Salaries, wages and benefits	358,568	197,364
Heat, light and power	294,863	165,446
Repair and maintenance	72,353	42,117
Depreciation	202,087	213,668
Amortization	13,512	-
Guest supplies	56,574	29,435
Linen, china and glassware	20,885	6,043
Communication	1,896	9,610
Laundry and dry cleaning	17,098	-
Banquet and decoration	6,158	2,505
Transportation	1,660	1,405
Uniforms	4,057	2,852
Music and entertainment	3,235	1,507
Insurance	332	483
Vehicle operating expense	7,462	3,239
Vehicle rental and registration charges	4,759	1,623
Others	32,693	38,828
	1,554,838	977,733
18 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
Profit / [Loss] before tax	3,000	(457,070)
Adjustments for:		
Depreciation	244,720	262,087
Amortization	15,013	-
Gain on disposal of property, plant and equipment	(8)	(15,871)
Provision for staff retirement benefit - gratuity	25,565	13,196
Provision for compensated leave absences	11,113	11,119
Impairment [loss] / reversal on trade debts	25,754	(50,291)
Return on bank deposits / certificate of investments	(12,678)	(10,467)
Share of profit in equity accounted investments	(26,290)	(23,154)
Finance cost	321,091	432,628
Gain on disposal of held for sale asset	-	(1,136)
Unrealised [Gain]/ loss on remeasurement of investments to fair value	1,281	(1,193)
[Reversal]/ impairment on investment in associated companies	27,043	(17,198)
	635,604	142,651
19 CASH AND CASH EQUIVALENTS		
Cash and bank balances	436,237	264,466
Short term borrowings	(2,401,639)	(2,560,851)
Accrued markup on short term borrowings	49,098	47,166
Accrued profit on bank deposits	(324)	(451)
	(1,916,628)	(2,249,670)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Unaudited 30 Sep 2021	Unaudited 30 Sep 2021
	[Rupees'000]	
Transactions and balances with associated undertakings		
Sales	196	30
Services provided	7,315	3,629
Services availed	77,413	62,300
Purchases	9,974	16,430
Franchise fee - income	1,098	686
Franchise and management fee - expense	-	1,113
Balances as at the period end:		
- Trade debts	14,241	*15,397
- Advances, deposits and prepayments	6,194	*17,644
Transactions with other related parties		
Sales	196	265
Services provided	47	15
Services availed	-	1,002
Purchases	-	3,034
Contribution to defined contribution plan - provident fund	11,746	11,154
Balances as at the period end:		
- Trade debts	538	*627
- Advance for capital expenditure	626,820	* 626,820
Transactions and balances with key management personnel		
Remuneration and allowances including staff retirement benefits	55,802	33,579
Refund of loan to key management personnel	15,640	150,000

* Represents balances as at 30 June 2021.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

21 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

21.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Financial Assets		Financial Liabilities	Amount in Rs'000				
		Fair value through profit or loss	Amortized cost	Amortized cost	Total	Level 1	Level 2	Level 3	Total
30 September 2021									
Financial assets measured at fair value									
Short term investments		6,500	-	-	6,500	6,500	-	-	6,500
Long term deposits		20,928	-	-	20,928	-	-	20,928	20,928
Short term deposits		16,782	-	-	16,782	-	-	16,782	16,782
		<u>44,210</u>	<u>-</u>	<u>-</u>	<u>44,210</u>	<u>6,500</u>	<u>-</u>	<u>37,710</u>	<u>44,210</u>
Financial assets not measured at fair value									
Trade debts	21.2	-	637,246	-	637,246	-	-	-	-
Contract assets		-	27,970	-	27,970	-	-	-	-
Advance to employees		-	12,495	-	12,495	-	-	-	-
Other receivables		-	115,656	-	115,656	-	-	-	-
Short term investments		-	643,622	-	643,622	-	-	-	-
Cash and bank balances		-	436,237	-	436,237	-	-	-	-
		<u>-</u>	<u>1,873,226</u>	<u>-</u>	<u>1,873,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	21.2	-	-	14,594,912	-	14,594,912	-	-	-
Short term borrowings		-	-	2,912,644	-	2,912,644	-	-	-
Lease liabilities		-	-	237,970	-	237,970	-	-	-
Trade and other payables	21.3	-	-	2,511,641	-	2,511,641	-	-	-
Unclaimed dividend		-	-	1,528	-	1,528	-	-	-
Unpaid dividend		-	-	9,242	-	9,242	-	-	-
		<u>-</u>	<u>-</u>	<u>20,267,937</u>	<u>-</u>	<u>20,267,937</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2021									
Financial assets measured at fair value									
Short term investment		7,781	-	-	7,781	7,781	-	-	7,781
Long term deposits		28,181	-	-	28,181	-	-	28,181	28,181
Short term deposits		16,282	-	-	16,282	-	-	16,282	16,282
		<u>52,244</u>	<u>-</u>	<u>-</u>	<u>52,244</u>	<u>7,781</u>	<u>-</u>	<u>44,463</u>	<u>52,244</u>
Financial assets not measured at fair value									
Trade debts	21.2	-	418,084	-	418,084	-	-	-	-
Contract assets		-	22,863	-	22,863	-	-	-	-
Advance to employees		-	12,983	-	12,983	-	-	-	-
Other receivables		-	66,771	-	66,771	-	-	-	-
Short term investment		-	643,622	-	643,622	-	-	-	-
Cash and bank balances		-	394,114	-	394,114	-	-	-	-
		<u>-</u>	<u>1,558,437</u>	<u>-</u>	<u>1,558,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	21.2	-	-	14,725,080	14,725,080	-	-	-	-
Other non-current liabilities		-	-	18,801	18,801	-	-	-	-
Short term borrowings	21.3	-	-	3,139,289	3,139,289	-	-	-	-
Lease liabilities		-	-	239,657	239,657	-	-	-	-
Trade and other payables		-	-	1,958,979	1,958,979	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>20,092,576</u>	<u>20,092,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months period ended 30 September 2021

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

22 CORRESPONDING FIGURES

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

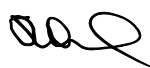
Description of item	Reclassified from	Reclassified to	Amount (Rupees'000)
Franchise & management fee revenue	Other Income	Revenue	20,051

23 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company in its meeting held on 27 October 2021.



M.A. Bawany
Director



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer



PAKISTAN SERVICES LTD.

1st floor, NESPAK House, Sector G-5/2, Islamabad
Tel: +92-51-2272890-8, Fax: +92-51-2878636

OWNERS AND OPERATORS OF



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