



# CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED  
31<sup>ST</sup> DECEMBER 2024





RUMANZA BY PEARL-CONTINENTAL, MULTAN- MARCO POLO RESTAURANT



Pearl-Continental  
HOTELS & RESORTS

# CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the six months period ended 31 December 2024



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 9 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  
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

Chairman

## AUDIT COMMITTEE

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

Chairman

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman

## NOMINATION COMMITTEE

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

Chairman

## RISK MANAGEMENT COMMITTEE

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

Chairman

## CHIEF EXECUTIVE OFFICER

Mr. Bastien Paul Emile Blanc

## ACTING CHIEF FINANCIAL OFFICER

Mr. Adnan Ahmed Saeed

## COMPANY SECRETARY

Mr. Muhammad Amir

## AUDITORS

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

## LEGAL ADVISOR

M/s Liaquat Merchant & Associates

## BANKERS

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

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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

# Directors' Report

## Dear Members,

The Board of Directors of Pakistan Services Limited (PSL) presents the condensed interim financial statements of the Company for the six months period ended 31st December 2024.

## Economic Overview

Pakistan's economy sustained its positive momentum in the first half of FY2025, based on stable economic indicators achieved in FY2024, GDP growth was recorded at 2.5% in contrast to contraction in the prior year. This growth was underpinned by prudent macroeconomic management, effective inflation control measures, and improved stability in fiscal and external accounts.

Inflation declined significantly to 7.2% in H1-FY2025, it was 28.8% in the same period last year, driven by easing global commodity prices, exchange rate stability, and targeted government interventions. Policy reforms, monetary easing, and fiscal consolidation further reinforced the foundation for sustained economic expansion.

The global economic outlook remains subdued, with growth expected to stay restrained in the coming years amid persistent challenges such as geopolitical tensions, financial market volatility, and policy uncertainties. While inflationary pressures have eased in many regions, the pace of disinflation remains uneven, and potential policy shifts could impact fiscal and monetary stability. Advanced economies are gradually transitioning toward monetary easing, while emerging markets continue to navigate structural reforms and vulnerabilities. To bolster economic resilience, countries must focus on balancing inflation control with growth, strengthening financial buffers, and fostering international cooperation to address global economic risks.

During the period, the Company achieved net revenue of Rs. 8,733 million, reflecting an increase of Rs.996 million from Rs. 7,737 million if compared with the corresponding period last year. Gross profit of Rs.4,048 million was registered, compared to Rs. 3,382 million recorded in the corresponding period of the last year, while profit before tax was Rs. 894 million, slightly up from Rs. 775 million in the same period last year. These results underscore the Company's ability to capitalize on improved economic conditions and operational efficiencies.

## Highlights of Performance:

	For the six months' period ended 31 December	
	2024	2023
	[Rupees million]	
Sales and Services – net	8,733	7,737
Gross profit	4,048	3,382
Profit before taxation	894	775
Profit after taxation	499	617
Earnings per share [Rupees]	15.35	18.99

The company's proposal to restructure its long-term loan and sukuk facilities has received preliminary approval on mutually acceptable terms. Lenders are currently working through their internal approval processes, and the company anticipates receiving final term sheets by the end of the month.

### Performance of Rooms Department

During the period Rooms Revenue was recorded at Rs. 3,779 million as against Rs. 3,389 million of the corresponding periods of last year.

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

Revenue from this segment has been recorded at Rs. 4,391 million for the period under review as compared to Rs. 3,900 million of the same period last year.

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

From this segment of the business revenue of Rs. 568 million has been achieved as compared to Rs. 448 million of the comparative periods of last year.

### Consolidated Results

During the current period, the group recorded a revenue [net] of Rs. 8,878 million as compared to Rs. 7,874 million of the same period last year. Profit after taxation is recorded at Rs. 434 million in comparison with Rs. 1,051 million profit of the corresponding period of the previous year.

### Prospects

Prudent debt management strategies and effective fiscal consolidation efforts are pivotal to ensuring long-term economic resilience. Pakistan's economy is currently depicting favorable indicators such as eased inflationary pressures, eased policy rates and stabilized commodities prices. However, there is still room for improvement in structural imbalance and high debt to GDP ratio.

### Change in Management

Subsequent to the period end, Mr. Tahir Mahmood resigned from the position of Chief Financial Officer [CFO] of the Company and Mr. Adnan Ahmed Saeed appointed as acting Chief Financial Officer by the board of Directors.

### Acknowledgement

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

For and on behalf of the Board of Directors,



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director

Islamabad: 24 February 2025

## محترم حصص داران:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی ششماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

## اقتصادی جائزہ:

پاکستان کی معیشت نے مالی سال 2025 کی پہلی ششماہی میں اپنی مثبت رفتار کو برقرار رکھا، مالی سال 2024 میں حاصل کیے گئے مستحکم معاشی اشاریوں کی بنیاد پر، جی ڈی پی کی نمو گزشتہ سال کے سیکڑاؤ کے مقابلے میں 2.5 فیصد ریکارڈ کی گئی۔ اس نمو کی بنیاد سمجھا دیکر میکرو اکنامک میجمنٹ، مہنگائی پر قابو پانے کے موثر اقدامات اور مالیاتی اور بیرونی کھاتوں میں بہتر استحکام تھا۔

FY2025-H1 میں مہنگائی نمایاں طور پر کم ہو کر 7.2% ہو گئی، یہ گزشتہ سال کی اسی مدت میں 28.8% تھی، جس کی وجہ عالمی اجناس کی قیمتوں میں نرمی، شرح مبادلہ میں استحکام، اور حکومتی مداخلتوں کا ہدف ہے۔ پالیسی اصلاحات، مالیاتی نرمی، اور مالیاتی استحکام نے پائیدار اقتصادی توسیع کی بنیاد کو مزید مضبوط کیا۔

جغرافیائی سیاسی تناؤ، مالیاتی منڈی کے اتار چڑھاؤ اور پالیسی کی غیر یقینی صورتحال جیسے مسلسل چیلنجوں کے درمیان آنے والے سالوں میں ترقی کے روکے رہنے کی توقع کے ساتھ، عالمی اقتصادی نقطہ نظر دب جاتا ہے۔ اگرچہ بہت سے خطوں میں افراط زر کے دباؤ میں کمی آئی ہے، ڈس انفلیشن کی رفتار غیر مساوی ہے، اور ممکنہ پالیسی تبدیلیاں مالیاتی اور مالیاتی استحکام کو متاثر کر سکتی ہیں۔ ترقی یافتہ معیشتیں بتدریج مالیاتی نرمی کی طرف منتقل ہو رہی ہیں، جب کہ ابھرتی ہوئی منڈیاں ساختی اصلاحات اور کمزوریوں کو نیوگیٹ کرتی رہتی ہیں۔ اقتصادی چک کو بڑھانے کے لیے، ممالک کو افراط زر کے کنٹرول کو ترقی کے ساتھ متوازن کرنے، مالیاتی بفروں کو مضبوط کرنے، اور عالمی اقتصادی خطرات سے نمٹنے کے لیے بین الاقوامی تعاون کو فروغ دینے پر توجہ مرکوز کرنی چاہیے۔

31 دسمبر 2024 کو ختم ہونے والی ششماہی مدت کے دوران کمپنی نے 8,733 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 7,737 ملین روپے تھے۔

کمپنی کا مجموعی منافع 4,048 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 3,382 ملین روپے تھا۔ قبل از ٹیکس منافع گزشتہ برس کے اسی عرصے کے 775 ملین منافع کے مقابلے میں 894 ملین روپے ریکارڈ کیا گیا۔

## کارکردگی کی جھلکیاں:

	ششماہی مدت اختتام 31 دسمبر	
	2024	2023
	(ملین روپے)	
فروخت اور خدمات (خالص)	8,733	7,737
کل منافع	4,048	3,382
منافع قبل از ٹیکس	894	775
منافع بعد از ٹیکس	499	617
فی حصہ آمدنی (روپے میں)	15.35	18.99

کمپنی کے طویل مدتی قرضہ اور سکوک سہولیات کی تنظیم نو کی تجویز کو باہمی طور پر قابل قبول شرائط پر ابتدائی منظوری مل گئی ہے۔ قرضہ دہندگان اس وقت اپنے داخلی منظوری کے عمل سے گزر رہے ہیں اور کمپنی کو توقع ہے کہ ماہ کے اختتام تک حتمی ٹرم شیٹس موصول ہو جائیں گی۔



## رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 3,389 ملین روپے کی نسبت آمدنی 3,779 ملین روپے ریکارڈ کی گئی۔

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

اس شعبے کی آمدن 4,391 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصے کے مقابلے میں 3,900 ملین روپے تھی۔

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

اس شعبے میں زیر جائزہ عرصے کے دوران میں 568 ملین روپے کی آمدنی حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصے کے مقابلے میں 448

ملین روپے تھی۔

## مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے 8,878 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں 7,874 ملین روپے تھے۔ گزشتہ برس کے 1,051 ملین روپے بعد از ٹیکس منافع کی نسبت موجودہ عرصہ میں 434 ملین روپے منافع ریکارڈ کیا گیا۔

## مستقبل کے امکانات:

قرض کے انتظام کی حکمت عملی اور مؤثر مالی استحکام کی کوششیں طویل مدتی اقتصادی چک کو یقینی بنانے کے لیے اہم ہیں۔ پاکستان کی معیشت اس وقت سازگار اشاریوں کی عکاسی کر رہی ہے جیسے مہنگائی کے دباؤ میں کمی، پالیسی کی شرح میں نرمی اور ایشیاء کی قیمتوں میں استحکام۔ تاہم، ساختی عدم توازن اور جی ڈی پی کے تناسب سے زیادہ قرض میں بہتری کی گنجائش اب بھی موجود ہے۔

## انتظامیہ میں تبدیلی:

مدت کے اختتام کے بعد، جناب طاہر محمود نے کمپنی کے چیف فنانشل آفیسر (CFO) کے عہدے سے استعفیٰ دے دیا۔ بورڈ آف ڈائریکٹرز نے جناب عدنان احمد سعید کو عبوری چیف فنانشل آفیسر کے طور پر مقرر کیا ہے۔

## اظہار تشکر:

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

منجانب بورڈ آف ڈائریکٹرز

مرتنضی ہاشوانی  
ڈائریکٹر

پیشن پال ایمال بلاک  
چیف ایگزیکٹو آفیسر

اسلام آباد: 24 فروری 2025

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan Services Limited

## Report on review of Interim Financial Statements

**Introduction**

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Pakistan Services Limited ["the Company"] as at 31 December 2024 and the related 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, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended [here-in-after referred to as the "interim financial statements"]. Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Material Uncertainty Related to Going Concern**

We draw attention to note 2.1 and 5.1 [Going concern basis of accounting and loans and borrowings] which state that as at 31 December 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 participant during the interim period has served a legal notice of willful default to the Company and its Board of Directors, requiring settlement of its entire share in Sukuk. The Company initiated counter legal proceedings and has obtained a stay order against any adverse actions by the Sukuk participant. As at the date, these condensed interim unconsolidated financial statements are authorized for issue, the matter remains sub-judice before the Court. In the interim, the Sukuk participant has initiated a civil suit for recovery against the Company and other lenders. The Company's current liabilities exceeded its' current assets by Rs. 10.3 billion as at 31 December 2024 which was primarily due to the classification of long-term loans as current liabilities owing to the default event. As at the date that these interim financial statements are 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 [refer to note 9.1.1] under the terms of the Sukuk's Trust Deed. 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 including the unilateral demand of the Sukuk participant 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 2.1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Other matter**

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three months period ended 31 December 2024 and 31 December 2023, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' report is Riaz Pesnani.



KPMG Taseer Hadi & Co.  
Chartered Accountants

Islamabad  
28 February 2025  
UDIN: RR202410115XgKMV7q8d



PEARL-CONTINENTAL HOTEL, MALAM JABBA- TAI-PAN RESTAURANT



RUMANZA BY PEARL-CONTINENTAL, MULTAN- EXTERIOR



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

For the six months period ended  
31 December 2024

# Condensed Interim Unconsolidated Statement of Financial Position

As at 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Share premium		269,424	269,424
Revenue reserves		11,062,498	10,563,097
Revaluation surplus on property, plant and equipment		34,737,301	34,737,301
<b>Total equity</b>		<b>46,394,465</b>	<b>45,895,064</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	177,735	228,427
Lease liabilities	6	172,782	167,776
Employee benefits		1,034,012	1,096,144
Other liabilities		199,619	210,252
<b>Non - current liabilities</b>		<b>1,584,148</b>	<b>1,702,599</b>
Short term borrowings	7	1,192,898	1,865,227
Current portion of loans and borrowings	5	8,356,744	8,021,018
Current portion of lease liabilities	6	63,144	105,567
Trade and other payables	8	3,714,154	3,682,435
Contract liabilities		1,173,882	974,760
Other liabilities		9,350	11,246
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>14,520,942</b>	<b>14,671,023</b>
<b>Total equity and liabilities</b>		<b>62,499,555</b>	<b>62,268,686</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

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

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	10	55,377,130	54,567,607
Advance for capital expenditure	11	1,149,637	1,176,152
Intangible assets	12	58,006	67,510
Investment property		72,000	72,000
Long term investments	13	824,794	895,794
Advance against equity investment	14	731,000	731,000
Long term deposits		44,955	17,581
Deferred tax assets-net		25,271	182,712
<b>Non - current assets</b>		<b>58,282,793</b>	<b>57,710,356</b>
Inventories		533,930	536,645
Trade debts		1,290,692	879,974
Contract assets		23,199	46,156
Advances, prepayments, trade deposits and other receivables		812,054	844,212
Short term investments	15	761,256	1,412,907
Advance tax - net		393,191	398,480
Cash and bank balances		402,440	439,956
<b>Current assets</b>		<b>4,216,762</b>	<b>4,558,330</b>
<b>Total assets</b>		<b>62,499,555</b>	<b>62,268,686</b>

  
**Bastien Paul Emile Blanc**  
 Chief Executive Officer

  
**Murtaza Hashwani**  
 Director

  
**Adnan Ahmed Saeed**  
 Acting Chief Financial Officer

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

For the six months period ended 31 December 2024

	Note	Three months period ended 31 December		Six months period ended 31 December	
		2024	2023	2024	2023
[Rupees'000]					
Revenue - net	16	4,627,271	4,181,924	8,733,294	7,736,520
Cost of sales and services	17	(2,392,360)	(2,225,307)	(4,685,495)	(4,354,501)
<b>Gross profit</b>		<b>2,234,911</b>	<b>1,956,617</b>	<b>4,047,799</b>	<b>3,382,019</b>
Other income		42,552	60,840	82,329	94,776
Administrative expenses		(1,200,462)	(1,019,988)	(2,223,467)	(1,962,328)
Impairment of investment in subsidiary		(71,000)	-	(71,000)	-
Reversal / [allowance] for expected credit loss		16,518	(42,183)	2,176	(45,998)
<b>Operating profit</b>		<b>1,022,519</b>	<b>955,286</b>	<b>1,837,837</b>	<b>1,468,469</b>
Finance income		26,794	53,353	65,015	88,568
Realised [loss] on derecognition of short term investment		(9,798)	-	(9,798)	-
Unrealised gain on remeasurement of investments to fair value - net		111,593	228,426	14,246	221,425
Finance cost		(472,075)	(536,971)	(1,013,207)	(1,003,604)
<b>Net finance cost</b>		<b>(343,486)</b>	<b>(255,192)</b>	<b>(943,744)</b>	<b>(693,611)</b>
<b>Profit before taxation</b>		<b>679,033</b>	<b>700,094</b>	<b>894,093</b>	<b>774,858</b>
Income tax		(220,011)	(144,058)	(394,692)	(157,373)
<b>Profit for the period</b>		<b>459,022</b>	<b>556,036</b>	<b>499,401</b>	<b>617,485</b>
Earnings [per share - basic and diluted] [Rupees]	18	14.11	17.10	15.35	18.99

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

  
Bastien Paul Emile Blanc  
Chief Executive Officer

  
Murtaza Hashwani  
Director

  
Adnan Ahmed Saeed  
Acting Chief Financial Officer



# Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the six months period ended 31 December 2024

	Three months period ended 31 December		Six months period ended 31 December	
	2024	2023	2024	2023
	[Rupees'000]			
Profit for the period	459,022	556,036	499,401	617,485
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	459,022	556,036	499,401	617,485

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



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director



**Adnan Ahmed Saeed**  
Acting Chief Financial Officer

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

For the six months period ended 31 December 2024

	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 2023	325,242	269,424	36,498,204	1,600,000	6,246,376	44,939,246
Total comprehensive income for the period						
Profit for the period	-	-	-	-	617,485	617,485
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	617,485	617,485
Balance at 31 December 2023	325,242	269,424	36,498,204	1,600,000	6,863,861	45,556,731
Balance at 01 July 2024	325,242	269,424	34,737,301	1,600,000	8,963,097	45,895,064
Total comprehensive income for the period						
Profit for the period	-	-	-	-	499,401	499,401
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	499,401	499,401
Balance at 31 December 2024	325,242	269,424	34,737,301	1,600,000	9,462,498	46,394,465

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

  
**Bastien Paul Emile Blanc**  
 Chief Executive Officer

  
**Murtaza Hashwani**  
 Director

  
**Adnan Ahmed Saeed**  
 Acting Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months period ended 31 December 2024

	Note	Six months period ended 31 December	
		2024	2023
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	19	2,462,069	2,052,262
<b>Working capital changes</b>			
<b>Decrease / (increase) in current assets</b>			
Inventories		[2,715]	[13,284]
Trade debts		[408,542]	[292,188]
Contract assets		22,957	18,147
Advances		113,723	[21,023]
Trade deposits and prepayments		[72,323]	[63,603]
Other receivables		[7,673]	55,127
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		[50,209]	195,545
Contract liabilities		203,973	83,187
		[200,809]	[38,092]
Staff retirement benefit - gratuity paid		[18,236]	[7,187]
Compensated leave absences paid		[19,897]	[23,196]
Income tax paid - net		[231,963]	233,698
Finance cost paid		[543,443]	[629,593]
<b>Net cash generated from operating activities</b>		<b>1,447,722</b>	<b>1,587,892</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[1,268,886]	[1,731,328]
Proceeds from disposal of property, plant and equipment		17,364	12,924
Increase in non-current asset held for sale		-	[89,821]
Proceeds from sale of short term investment		654,423	-
Receipts of return on bank deposits and short term investments		65,648	80,938
Long term deposits and prepayments		[27,374]	151
<b>Net cash used in investing activities</b>		<b>[558,825]</b>	<b>[1,727,136]</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		[247,345]	[1,192]
Lease liabilities paid		[39,309]	[40,318]
Proceeds from allocation of rooms on long term basis		18,147	40,805
Refunds for allocation of rooms on long term basis		[69,336]	-
Proceeds from loan		40,500	-
<b>Net cash used in financing activities</b>		<b>[297,343]</b>	<b>[705]</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>591,554</b>	<b>[139,949]</b>
Cash and cash equivalents at beginning of the period		[1,327,212]	[1,177,676]
Cash and cash equivalents at end of the period	20	[735,658]	[1,317,625]

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

  
Bastien Paul Emile Blanc  
Chief Executive Officer

  
Murtaza Hashwani  
Director

  
Adnan Ahmed Saeed  
Acting Chief Financial Officer

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

For the six months period ended 31 December 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 other immovable properties owned by the Company are located in Karachi, Lahore, Rawalpindi, Bhurban, Multan, Muzaffarabad, Mirpur, Gilgit, Hunza & Chitral.

## 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 condensed 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 2024. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2024, 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 condensed interim unconsolidated financial statements for the six months period ended 31 December 2023.

These condensed 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.

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for items which are detailed in annual audited unconsolidated financial statements for the year ended 30 June 2024.

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

For the six months period ended 31 December 2024

## 2.1 Going concern basis of accounting

As at 31 December 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 5.1]. Due to this non-payment of due obligations, one of the Sukuk participants during the interim period has served a legal notice of willful default to the Company and its Board of Directors, requiring settlement of its entire share in Sukuk. The Company initiated counter legal proceedings and has obtained a stay order against any adverse actions by the Sukuk participant. As at the date these condensed interim financial statements are authorized for issue, the matter remains sub-judice before the Court. In the interim, the said Sukuk participant has initiated a civil suit for recovery against the Company and other lenders. The Company's current liabilities exceeded its' current assets by Rs. 10.3 billion as at 31 December 2024 which was primarily due to the classification of long-term loans as current liabilities owing to the default event.

As at the date these financial statements are authorized for issue, management is actively engaging with its' lenders for further restructuring through an external consultant. 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 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. 1.88 billion [after repayment of mark-up of Rs. 2.37 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 including the current interim period. This increase is further expected to enhance with decrease in finance costs as compared to historic trends due to recent downward revision in the interest rate benchmark and efficient working capital management. The Company would also implement measures to curtail further capital expenditure, incurring only on a need basis, so as to prioritize the reduction of mark-up bearing obligations,
- With respect to the civil suit, management has already filed its 'leave to defend' in the Court of law through its legal counsel and already maintains a balance of Rs. 628.05 million with the Sukuk's issue agent and Rs. 120 million with the Sukuk participant who has initiated the legal proceedings against the Company. Despite repeated management requests to access the above balances for settlement of its due obligations, the Company has been denied its rightful access putting additional mark-up burden on the Company. As of the date on which these condensed interim 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 instead management is engaging with these parties to implement further restructuring of the loan obligations for an amicable resolution of the matter. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced [refer to note 9.1] under the terms of the Sukuk's Trust Deed, however, in case of any adverse eventuality this unilateral demand will be bridged through financial support from the sponsor of the Company,
- 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. 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 condensed interim financial statements, management after taking into account the implications of above-mentioned civil suit and legal advice, does not expect to pay the lenders accelerated payments, if:

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

For the six months period ended 31 December 2024

- a. the overdue amounts are repaid (operating cash flows and envisaged 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 Company has and will have adequate resources to continue in operational existence for the foreseeable future and therefore it remains appropriate to prepare the condensed interim 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. The condensed interim financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## 3 MATERIAL ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Material accounting policy information

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 annual audited unconsolidated financial statements of the Company for the year ended 30 June 2024. However, the comparative period presented in unconsolidated condensed interim statement of profit or loss and cash flows was previously based on the Technical Release 27 IAS-12, Income Taxes issued by Institute of Chartered Accountants of Pakistan, which has now been replaced with circular 07/2024 dated 15 May 2024. As per the guidance, minimum taxes and certain final taxes paid should be classified as "Levies" and not income tax. However, there is no impact of the said change on the previously reported amounts of income tax expense and income tax payments as presented in these condensed interim unconsolidated financial statements.

### 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 estimates and judgments made by the 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 audited financial statements of the Company for the year ended 30 June 2024.

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

There are certain standards amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025. Management is in the process of assessing the potential impact of these changes on the condensed interim unconsolidated financial statements.

## 4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Company from 30 June 2024.

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
<b>5 LOANS AND BORROWINGS - Secured</b>	[Rupees'000]	
<b>a. Non current portion</b>		
Term Finance Loan - 1	892,712	892,081
Term Finance Loan - 2	499,987	499,987
Term Finance Loan - 3	999,980	1,199,980
Term Finance Loan - 4	302,419	309,264
Sukuk	4,473,129	4,473,129
Transaction cost	[9,745]	[18,236]
	7,158,482	7,356,205
Current portion of loans	[6,980,747]	[7,127,778]
	177,735	228,427
<b>b. Current portion</b>		
Current portion of loans	6,980,747	7,127,778
Markup accrued	1,375,997	893,240
	8,356,744	8,021,018

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 2024. Due to reasons as explained in note 2.1, the Company did not comply with the terms of loan agreements including compliance with certain restrictive covenants mainly thresholds of current ratio, debt to equity ratio and debt service coverage ratio, accordingly, the entire outstanding obligation except "Term Finance Loan - 4" have been classified as current liability in these condensed interim unconsolidated financial statements. Management is in the process of negotiating restructuring terms with its lenders, however, as of the date these condensed interim unconsolidated financial statements have been authorized for issue, these have not been formalized. Refer note 9.1.

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000']	
<b>6 LEASE LIABILITIES</b>		
Opening as at 01 July	273,343	306,558
Interest expense for period/year	17,424	37,114
Additions during the period/ year	9,708	51,174
Termination during the period/year	[7,816]	[3,279]
Lease payments	[56,733]	[118,224]
Closing	<u>235,926</u>	<u>273,343</u>
Current portion	<u>63,144</u>	<u>105,567</u>
Non-current portion	<u>172,782</u>	<u>167,776</u>

6.1 The current payable amount to related party is Rs. 6.4 million [30 June 2024: Rs. 4 million].

		Unaudited 31 Dec 2024	Audited 30 June 2024
		[Rupees'000']	
<b>7 SHORT TERM BORROWINGS - secured</b>			
Running finance facilities - banking companies	7.1	1,134,584	1,765,754
Markup accrued		58,314	99,473
		<u>1,192,898</u>	<u>1,865,227</u>

7.1 During the interim period, the Company settled one of its short term borrowing facility amounting to Rs. 320 million bringing the total facility lines available to the Company amounting to Rs. 1,500 million [30 June 2024: 1,820 million].

		Unaudited 31 Dec 2024	Audited 30 June 2024
		[Rupees'000']	
<b>8 TRADE AND OTHER PAYABLES</b>	Note		
Creditors		1,709,297	1,674,553
Accrued liabilities	8.1	904,800	951,436
Shop deposits		47,785	50,895
Retention money		150,389	149,747
Due to related parties - unsecured		86,183	134,650
Sales tax payable		348,576	246,855
Income tax deducted at source		96,274	106,942
Unearned income		21,317	35,339
Provident fund payable		4,936	8,093
Other liabilities	8.2	344,597	323,925
		<u>3,714,154</u>	<u>3,682,435</u>

8.1 This includes amount of Rs. 131.79 million payable to directors and CEO of the Company.

8.2 This includes amount of Rs. 169.34 million [30 June 2024: Rs. 8.04 million] payable to directors and CEO of the Company.



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

For the six months period ended 31 December 2024

## 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 2024 except as disclosed below:

During the interim period, one of the Sukuk participant has served a legal notice of willful default to the Company and its directors, requiring settlement of its entire share in Sukuk. The Company initiated counter legal proceedings and has obtained a stay order against any adverse actions by the Sukuk participant and accordingly, the matter remains sub-judice before the Court. In the interim, the Sukuk participant has initiated a civil suit for recovery against the Company and other lenders. With respect to the civil suit, management has already filed its 'leave to defend' in the Court of law through its legal counsel. The Company has not received any other notice from either the agent bank of lenders or other Sukuk participants instead management is engaging with these parties to implement further restructuring of the loan obligations for an amicable resolution of the matter. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced under the terms of the Sukuk's Trust Deed. Notwithstanding, the entire Sukuk obligation has been classified as a current liability in these condensed interim unconsolidated financial statements.

	Note	Unaudited 31 Dec 2024 (Rupees'000')	Audited 30 June 2024
<b>9.1.2 Guarantees</b>			
Guarantees issued by banks on behalf of the Company	9.1.2.1	350,110	350,110
9.1.2.1 This also includes guarantee of Rs.7 million on behalf of wholly owned subsidiary Company.			
<b>9.2 Commitments</b>			
Commitments for capital expenditure		2,942,586	3,007,411
		Unaudited 31 Dec 2024 (Rupees'000')	Audited 30 June 2024
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	10.1	45,458,041	44,468,273
Capital work in progress	10.2	9,919,089	10,099,334
		55,377,130	54,567,607

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

For the six months period ended 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000']	
<b>10.1 Operating fixed assets</b>			
Carrying amount at beginning of the period / year		44,468,273	42,489,556
Additions during the period / year	10.2.2	23,866	1,027,593
Transfer from capital work in progress		1,462,422	1,877,259
Disposal during the period / year		(5,678)	(24,040)
Lease termination		(4,411)	(17,611)
Depreciation charge for the period / year	10.2.2	(485,845)	(883,329)
Transfer to capital work in progress		(586)	(1,154)
Carrying amount at end of the period / year		45,458,041	44,468,273
<b>10.2 Capital work in progress</b>			
Carrying amount at beginning of the period / year		10,099,334	3,871,370
Additions during the period / year		1,282,177	2,143,904
Transferred to operating fixed assets		(1,462,422)	(1,877,259)
Transferred from assets held for sale		-	5,961,319
Carrying amount at end of the period / year		9,919,089	10,099,334
<b>10.2.1 Closing capital work in progress represents:</b>			
Construction of Pearl Continental Mirpur		3,659,204	3,664,299
Construction of Pearl Continental Multan	10.2.3	6,001,661	5,961,319
Other civil works		258,224	473,716
		9,919,089	10,099,334

10.2.2 Additions in and depreciation on property, plant and equipment during the six months period ended 31 December 2023 were Rs. 58.55 million and Rs. 444.19 million respectively.

10.2.3 Management of the Company is pursuing for sale of its under construction hotel property situated at Multan, however, as at the date of these condensed interim unconsolidated financial statements, the criterion for classification as 'non-current asset held for sale' is not met. Carrying amount of the under construction hotel property remains below its fair value, accordingly, no impairment has been recognized in these condensed interim unconsolidated financial statements.

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

For the six months period ended 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000]	
<b>11 ADVANCE FOR CAPITAL EXPENDITURE</b>			
Advance for purchase of land	11.1	668,820	668,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		<b>1,010,476</b>	<b>1,010,476</b>
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		5,946	16,549
Advances for Pearl Continental Multan Project	11.3	-	15,912
Advances for Pearl Continental Mirpur Project		133,215	133,215
		<b>139,161</b>	<b>165,676</b>
		<b>1,149,637</b>	<b>1,176,152</b>

11.1 This includes amount of Rs. 626.82 million (2024: 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 Honorable Islamabad High Court against the order of SECP. Simultaneously, without prejudice to the right of the Appellants, the management and Board have complied with the directions of SECP in this regard. During the previous year, the Honorable Islamabad High Court vide order dated 13 December 2023 has decided the matter in favor of the Company.

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 an 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 Government 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 condensed interim unconsolidated financial statements.

11.3 This represents amount paid to a related party of the parent Company on account of project management services amounting to Rs. Nil (2024: Rs. 15.91 million).

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000']	
<b>12 INTANGIBLE ASSET</b>		
Software	58,006	67,510
Cost		
Opening balance	200,180	200,180
Additions	-	-
Closing balance	200,180	200,180
Accumulated amortisation		
Opening balance	132,670	108,726
Amortisation charge the period / year	9,504	23,944
Closing balance	142,174	132,670
Net book value		
Cost	200,180	200,180
Accumulated amortisation	(142,174)	(132,670)
Closing balance	58,006	67,510
Amortisation rate per annum	30%	30%

## 13 LONG TERM INVESTMENTS

During the interim period, management of the Company has re-assessed 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 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 for the period amounting to Rs. 71 million (June 2024: Rs. 142 million) in these condensed interim unconsolidated financial statements.

## 14 ADVANCE AGAINST EQUITY INVESTMENT

This represents advance against equity investment of Rs. 731 million (30 June 2024: Rs. 731 million) extended by the Company to its wholly owned subsidiary Company, Elite Properties (Private) Limited.

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

For the six months period ended 31 December 2024

15	SHORT TERM INVESTMENTS	Note	Unaudited	Audited
			31 Dec 2024	30 June 2024
			[Rupees'000']	
<b>Fair value through other comprehensive income</b>				
	National Technology Development Corporation Limited		200	200
	Indus Valley Solvent Oil Extraction Limited		500	500
	Allowance for Impairment loss		[700]	[700]
<b>Amortized cost</b>				
	Term Deposit Receipt		637,579	637,579
	Term Finance Certificate		75,000	75,000
	Accrued interest		2,987	4,663
			715,566	717,242
<b>Financial assets at fair value through profit or loss</b>				
	Shares of listed Companies	15.1	45,690	695,665
			761,256	1,412,907

15.1 During the interim period, the Company disposed off its investment in associated Company, Jubilee General Insurance Company Limited through sale of 14,556,661 ordinary shares at a total consideration of Rs. 654.42 million [2024: Rs. Nil]. As at interim reporting date, the Company holds a total of 500,000 [30 June 2024: 15,056,661] shares.

16	REVENUE - NET	Note	Three months period ended		Six months period ended	
			2024	2023	2024	2023
			[Rupees'000']			
	Rooms		2,292,193	2,091,450	4,428,456	3,937,802
	Food and beverages		2,816,909	2,559,040	5,219,409	4,635,892
	Other related services	16.1	277,069	262,335	584,960	518,215
	Fee revenue from franchise & management properties		97,120	24,483	124,259	59,254
	Shop license fees		10,350	9,817	20,071	18,865
			5,493,641	4,947,125	10,377,155	9,170,028
	Discounts		[109,457]	[97,867]	[231,958]	[208,297]
	Sales tax		[756,913]	[667,334]	[1,411,903]	[1,225,211]
			4,627,271	4,181,924	8,733,294	7,736,520

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

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

For the six months period ended 31 December 2024

	Three months period ended 31 December		Six months period ended 31 December	
	2024	2023	2024	2023
<b>17 COST OF SALES AND SERVICES</b>	[Rupees'000]			
<b>Food and beverages</b>				
Opening balance	151,655	158,403	195,604	186,720
Purchases during the period	765,967	742,781	1,318,425	1,287,635
Closing balance	[187,070]	[182,552]	[187,070]	[182,552]
Consumption during the period	730,552	718,632	1,326,959	1,291,803
<b>Direct expenses</b>				
Salaries, wages and benefits	610,614	557,891	1,178,817	1,123,865
Heat, light and power	405,895	391,936	962,031	871,141
Repair and maintenance	132,804	114,583	260,944	230,573
Depreciation	201,161	178,162	398,060	360,207
Amortization	4,115	5,554	8,554	11,591
Guest supplies	97,861	98,131	183,258	179,642
Linen, china and glassware	54,937	46,902	95,773	88,331
Communication	2,814	3,304	5,417	5,063
Laundry and dry cleaning	23,581	22,598	46,933	42,871
Banquet and decoration	16,105	18,525	27,041	34,412
Transportation	28,075	19,219	48,427	30,257
Uniforms	4,418	5,352	10,215	12,968
Music and entertainment	5,374	5,314	10,541	9,902
Others	74,054	39,204	122,525	61,875
	<b>2,392,360</b>	<b>2,225,307</b>	<b>4,685,495</b>	<b>4,354,501</b>
<b>18 EARNINGS / PER SHARE</b>				
Profit for the period [Rupees '000]	459,022	556,036	499,401	617,485
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170	32,524,170	32,524,170
Earnings per share - basic [Rupees]	14.11	17.10	15.35	18.99

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

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

For the six months period ended 31 December 2024

19	CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	Six months period ended 31 December	
		2024	2023
		[Rupees'000]	
	Profit before tax	894,093	774,858
	<b>Adjustments for:</b>		
	Depreciation	485,845	444,198
	Amortization	9,504	12,880
	[Gain] on disposal of property, plant and equipment	[11,686]	[6,912]
	Provision for staff retirement benefit - gratuity	42,980	58,880
	Provision for compensated leave absences	14,949	26,907
	Impairment loss on trade debts	[2,176]	45,998
	Return on bank deposits / certificate of investments	[62,558]	[86,726]
	Finance cost	1,013,207	1,003,604
	Gain on lease termination	[3,405]	-
	Impairment of investment in subsidiary	71,000	-
	Realized loss on rooms allocation on long term basis	14,764	-
	Realised loss from sale of short term investment	9,798	-
	Unrealised gain on remeasurement of investments to fair value - net	[14,246]	[221,425]
		<u>2,462,069</u>	<u>2,052,262</u>
20	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	402,440	397,194
	Short term borrowings	[1,192,898]	[1,799,936]
	Accrued markup on short term borrowings	58,314	86,356
	Accrued profit on bank deposits	[3,514]	[1,239]
		<u>[735,658]</u>	<u>[1,317,625]</u>
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, 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 six months period ended 31 December 2024

Six months period ended  
31 December  
2024                      2023  
[Rupees'000]

## Transactions with subsidiary Companies

Sales	2,358	2,202
Services provided	11,593	13,800
Services availed	79,384	70,790
Refund of advance against equity investment	-	150,000
Purchase of fixed asset	599	-

## Balances as at the period end:

- Trade debts	16,273	*13,479
- Long term investments	824,794	*895,795
- Advance against equity investment	731,000	*731,000
- Trade advances, deposits, prepayments and other receivables	429	*57

## Transactions with associated undertakings

Sales	714	1,695
Services provided	1,237	6,179
Services availed	323,572	336,208
Purchases	37,749	151,069
Franchise fee - income	3,601	3,615

## Balances as at the period end:

- Trade debts	61,203	*54,554
- Trade advances, deposits, prepayments and other receivables	21,405	*33,227
- Contract liabilities	67,888	*29,916

## Transactions with other related parties

Sales	274	304
Services provided	984	-
Services availed	23,703	23,162
Contribution to defined contribution plan - provident fund	40,015	35,600

## Balances as at the period end:

- Trade debts	406	*762
- Advance for capital expenditure	626,820	*626,820
- Advances, deposits and prepayments	8,567	*15,844

## Transactions with key management personnel

Remuneration and allowances including staff retirement benefits	382,075	267,937
Receivables from key management personnel	98	*389
Payable to key management personnel	301,138	*8,047

\* Represents balances as at 30 June 2024.



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

For the six months period ended 31 December 2024

## 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					
<b>31 December 2024</b>									
<b>Financial assets measured at fair value</b>									
Shares of listed Companies	15	45,690	-	-	45,690	45,690	-	-	45,690
		45,690	-	-	45,690	45,690	-	-	45,690
<b>Financial assets not measured at fair value</b>									
Long term deposits	22.2	44,955	-	-	44,955	-	-	-	-
Trade deposits		33,669	-	-	33,669	-	-	-	-
Trade debts		-	1,290,692	-	1,290,692	-	-	-	-
Contract assets		-	23,199	-	23,199	-	-	-	-
Advance to employees		-	10,462	-	10,462	-	-	-	-
Other receivables		-	574,717	-	574,717	-	-	-	-
Short term investments	15	-	715,566	-	715,566	-	-	-	-
Cash and bank balances		-	402,440	-	402,440	-	-	-	-
		78,624	3,017,076	-	3,095,700	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	22.2 5	-	-	8,544,224	8,544,224	-	-	-	-
Other liabilities		-	-	199,619	199,619	-	-	-	-
Short term borrowings	7	-	-	1,192,898	1,192,898	-	-	-	-
Lease liabilities	6	-	-	235,926	235,926	-	-	-	-
Trade and other payables	22.3	-	-	3,247,987	3,247,987	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	13,431,424	13,431,424	-	-	-	-
<b>30 June 2024</b>									
<b>Financial assets measured at fair value</b>									
Short term investments	15	695,665	-	-	695,665	695,665	-	-	695,665
		695,665	-	-	695,665	695,665	-	-	695,665
<b>Financial assets not measured at fair value</b>									
Long term deposits		17,580	-	-	17,580	-	-	-	-
Trade deposits		33,419	-	-	33,419	-	-	-	-
Trade debts		-	879,974	-	879,974	-	-	-	-
Contract assets		-	46,156	-	46,156	-	-	-	-
Advance to employees		-	3,352	-	3,352	-	-	-	-
Other receivables		-	120,085	-	120,085	-	-	-	-
Short term investments		-	717,242	-	717,242	-	-	-	-
Bank balances		-	367,639	-	367,639	-	-	-	-
		50,999	2,134,448	-	2,185,448	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	22.2 5	-	-	8,267,681	8,267,681	-	-	-	-
Other non current liabilities		-	-	221,498	221,498	-	-	-	-
Short term borrowings	7	-	-	1,865,227	1,865,227	-	-	-	-
Lease liabilities	6	-	-	273,343	273,343	-	-	-	-
Trade and other payables	22.3	-	-	3,293,299	3,293,299	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	13,931,818	13,931,818	-	-	-	-

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

For the six months period ended 31 December 2024

- 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 DATE OF AUTHORISATION FOR ISSUE
- 23.1 These condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on 24 February 2025.



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director



**Adnan Ahmed Saeed**  
Acting Chief Financial Officer





PEARL-CONTINENTAL HOTEL, MALAM JABBA- PRESIDENTIAL SUITE



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

For the six months period ended  
31 December 2024

# Condensed Interim Consolidated Statement of Financial Position

## As at 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	(Rupees'000)	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		727,747	727,747
Revenue reserves		8,781,075	8,306,621
Revaluation surplus on property, plant and equipment		34,737,302	34,737,302
<b>Equity attributable to owners</b>		<b>44,571,366</b>	<b>44,096,912</b>
Non-controlling interest		255,191	266,205
<b>Total equity</b>		<b>44,826,557</b>	<b>44,363,117</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	561,735	623,669
Lease liabilities	6	188,941	191,595
Employee benefits		1,080,999	1,141,905
Deferred tax liability - net		638,842	408,069
Other non current liabilities		199,619	210,252
<b>Non - current liabilities</b>		<b>2,670,136</b>	<b>2,575,490</b>
Short term borrowings	7	1,453,261	2,124,149
Current portion of loans and borrowings	5	8,544,359	8,188,038
Current portion of lease liabilities	6	90,033	143,642
Trade and other payables	8	3,847,012	3,771,116
Contract liabilities		1,173,882	975,052
Other Liabilities		9,350	11,245
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>15,128,667</b>	<b>15,224,012</b>
<b>Total equity and liabilities</b>		<b>62,625,360</b>	<b>62,162,619</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	10	55,529,848	54,730,960
Intangible assets	11	58,006	67,510
Advance for capital expenditure	12	1,149,637	1,176,152
Investment property		72,000	72,000
Long term investments		699,100	1,357,395
Advance against equity investment	13	-	-
Long term deposits and prepayments		45,711	17,581
<b>Non - current assets</b>		<b>57,554,302</b>	<b>57,421,598</b>
Inventories		543,447	546,474
Development properties		470,795	470,795
Trade debts		1,328,798	901,736
Contract assets		23,199	46,156
Advances, prepayments, trade deposits and other receivables		1,049,943	1,076,073
Short term investments	14	732,516	729,282
Advance tax - net		446,438	459,796
Cash and bank balances		475,922	510,709
<b>Current assets</b>		<b>5,071,058</b>	<b>4,741,021</b>
<b>Total assets</b>		<b>62,625,360</b>	<b>62,162,619</b>

  
**Bastien Paul Emile Blanc**  
 Chief Executive Officer

  
**Murtaza Hashwani**  
 Director

  
**Adnan Ahmed Saeed**  
 Acting Chief Financial Officer

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

For the six months period ended 31 December 2024

	Note	Three months period ended 31 December		Six months period ended 31 December	
		2024	2023	2024	2023
[Rupees'000]					
Revenue - net	15	4,710,088	4,268,377	8,877,946	7,873,648
Cost of sales and services	16	(2,468,611)	(2,296,873)	(4,811,311)	(4,481,869)
<b>Gross profit</b>		<b>2,241,477</b>	<b>1,971,504</b>	<b>4,066,635</b>	<b>3,391,779</b>
Other income		44,033	108,565	83,812	142,607
Administrative expenses		(1,199,821)	(1,054,689)	(2,227,415)	(2,026,489)
Other Expenses		(71,000)	153,179	(263,532)	153,179
Gain on disposal of subsidiary		-	491,749	-	491,749
Reversal of expected credit loss		16,518	(42,183)	2,176	(45,998)
<b>Operating profit</b>		<b>1,031,207</b>	<b>1,628,125</b>	<b>1,661,676</b>	<b>2,106,827</b>
Finance income		29,308	95,845	67,536	92,746
Realized loss on sale of short term investment		(13,038)	-	(13,038)	-
Unrealised gain / [ loss] on remeasurement of investments to fair value - net		114,833	2,877	115,053	3,103
Finance cost		(491,300)	(557,910)	(1,052,115)	(1,046,240)
<b>Net finance cost</b>		<b>(360,197)</b>	<b>(459,188)</b>	<b>(882,564)</b>	<b>(950,391)</b>
Share of profit in equity accounted investments-net		-	31,979	65,625	65,144
<b>Profit before taxation</b>		<b>671,010</b>	<b>1,200,916</b>	<b>844,737</b>	<b>1,221,580</b>
Income tax		(229,378)	(154,724)	(410,637)	(170,184)
<b>Profit for the period</b>		<b>441,632</b>	<b>1,046,192</b>	<b>434,100</b>	<b>1,051,396</b>
Profit attributable to:					
Owners of the Company		446,676	1,054,909	445,114	1,072,543
Non-controlling interests		(5,044)	(8,717)	(11,014)	(21,147)
		<b>441,632</b>	<b>1,046,192</b>	<b>434,100</b>	<b>1,051,396</b>
Earnings per share-basic and diluted [Rupees]		<b>13.58</b>	<b>32.42</b>	<b>13.35</b>	<b>32.98</b>

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.

  
**Bastien Paul Emile Blanc**  
Chief Executive Officer

  
**Murtaza Hashwani**  
Director

  
**Adnan Ahmed Saeed**  
Acting Chief Financial Officer



# Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the six months period ended 31 December 2024

	Three months period ended 31 December		Six months period ended 31 December	
	2024	2023	2024	2023
	[Rupees'000]			
Profit for the period	441,632	1,046,192	434,100	1,051,396
Other comprehensive income for the period	-	-	29,340	-
Total comprehensive income for the period	441,632	1,046,192	463,440	1,051,396
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	446,676	1,054,909	474,454	1,072,543
Non-controlling interests	[5,044]	[8,717]	[11,014]	[21,147]
	441,632	1,046,192	463,440	1,051,396

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director



**Adnan Ahmed Saeed**  
Acting Chief Financial Officer

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

For the six months period ended 31 December 2024

	Capital reserve			Revenue reserves					Total	Non-controlling interest	Total equity		
	Share premium	Acquisition reserve	Shares of associates's capital reserve	General reserve	Fair value through other comprehensive income	Exchange translation reserve (net of tax)	Share of other OCI items of associate	Unappropriated profit				Surplus on revaluation of property, plant and equipment	
Adjusted 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	11,7667	42,707,149
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/ [loss] for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	364,158	-	-	-	-	-	-	-	-	-	1,051,396
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	364,158
Total comprehensive income for the period	-	-	364,158	-	-	-	-	-	-	-	-	-	1,436,699
Balance at 31 December 2023	325,242	269,424	92,581	147,221	1,600,000	19,678	2,170,394	3,125	2,900,311	36,498,205	44,026,181	195,693	44,221,874
Balance at 01 July 2024	325,242	269,424	311,102	147,221	1,600,000	5,993	2,057,955	97,845	4,544,888	34,737,302	44,096,912	266,205	44,363,117
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/ [loss] for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	29,340	445,114	-	474,454	(11,014)	463,440
Total comprehensive income for the period	-	-	-	-	-	-	-	29,340	445,114	-	474,454	(11,014)	463,440
Balance at 31 December 2024	325,242	269,424	311,102	147,221	1,600,000	5,993	2,057,955	127,185	4,990,002	34,737,302	44,571,366	255,191	44,826,557

[Rupees'000]

Adjusted balance at 01 July 2023

Total comprehensive income for the period

Profit/ [loss] for the period

Disposal of subsidiary

Advance against issuance of shares

Total comprehensive income for the period

Balance at 31 December 2023

Balance at 01 July 2024

Total comprehensive income for the year

Profit/ [loss] for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance at 31 December 2024

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director



**Adnan Ahmed Saeed**  
Acting Chief Financial Officer

# Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the six months period ended 31 December 2024

	Note	Six months period ended 31 December	
		2024	2023
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	17	1,964,594	2,343,473
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Inventories		3,027	[5,639]
Development properties		-	161,362
Trade debts		[429,238]	[326,840]
Contract assets		22,957	18,147
Advances		95,773	[156,809]
Trade deposits and prepayments		[111,809]	[63,233]
Other receivables		42,166	[25,378]
<b>Increase / [decrease] in current liabilities</b>			
Trade and other payables		47,328	59,531
Non current liabilities		38,661	40,805
Contract liabilities		198,830	76,187
<b>Cash used in operations</b>		<b>[92,305]</b>	<b>[221,867]</b>
Staff retirement benefit - gratuity paid		[18,950]	[23,130]
Compensated leave absences paid		[20,092]	[23,683]
Income tax paid- net		[239,839]	230,364
Finance cost paid		[581,423]	[650,112]
<b>Net cash generated from operating activities</b>		<b>1,011,986</b>	<b>1,655,045</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[1,309,249]	[1,626,593]
Advance for capital expenditure		26,515	[104,735]
Proceeds from disposal of property, plant and equipment		18,808	58,408
Disposal of a subsidiary		-	764,551
Advance against equity investment		-	[104,536]
Short term investments		3,410	330
Proceeds from sale of shares of associate		654,423	-
Addition in asset held for sale		-	[89,821]
Dividend income received		3,405	-
Receipts of return on bank deposits and short term investments		68,169	90,002
Long term deposits and prepayments		[28,130]	30,895
<b>Net cash [used in] investing activities</b>		<b>[562,649]</b>	<b>[981,499]</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		[250,104]	[1,192]
Settlement of short term loan		1,440	[724,636]
Proceeds from allocation of rooms on long term basis		18,147	-
Refunds for allocation of rooms on long term basis		[69,336]	-
Proceeds from long term financing		40,500	-
Advance against issuance of shares		-	-
Lease liabilities paid		[58,266]	[56,333]
<b>Net cash used in financing activities</b>		<b>[317,619]</b>	<b>[782,161]</b>
<b>Net increase [decrease] in cash and cash equivalents</b>		<b>131,718</b>	<b>[108,615]</b>
Cash and cash equivalents at beginning of the period		[1,256,458]	[1,145,455]
Cash and cash equivalents at end of the period	18	[1,124,740]	[1,254,070]

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.

  
Bastien Paul Emile Blanc  
Chief Executive Officer

  
Murtaza Hashwani  
Director

  
Adnan Ahmed Saeed  
Acting Chief Financial Officer

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

For the six months period ended 31 December 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, Mirpur, Gilgit, Hunza & Chitral.

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)	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%
Invcy (Private) Limited	Conglomerate	78.31% (through CPPL)
Pak Vitae (Private) Limited	Clean water product	43.39% (through Invcy)

## 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 condensed 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 2024. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2024, 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 six months period ended 31 December 2023.

These condensed 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 six months period ended 31 December 2024

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for items which are detailed in annual audited unconsolidated financial statements for the year ended 30 June 2024.

## 2.1 Going concern basis of accounting

As at 31 December 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 (refer note 5.1). Due to this non-payment of due obligations, one of the Sukuk participants during the interim period has served a legal notice of willful default to the Parent Company and its Board of Directors, requiring settlement of its entire share in Sukuk. The Parent Company initiated counter legal proceedings and has obtained a stay order against any adverse actions by the Sukuk participant. As at the date these condensed interim financial statements are authorized for issue, the matter remains sub-judice before the Court. In the interim period, the said Sukuk participant has initiated a civil suit for recovery against the Parent Company and other lenders. The Parent Company's current liabilities exceeded its' current assets (excluding assets held for sale) by Rs. 10.12 billion as at 31 December 2024 which was primarily due to the classification of long-term loans as current liabilities owing to the default event.

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

Management of the Parent Company based on business plan expects to generate adequate operating cashflows amounting to Rs. 1.88 billion (after repayment of mark-up of Rs. 2.37 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 Parent Company has been achieving in the recent past including the current interim period. This increase is further expected to enhance with decrease in finance costs as compared to historic trends due to recent downward revision in the interest rate benchmark and efficient working capital management. The Parent Company would also implement measures to curtail further capital expenditure, incurring only on a need basis, so as to prioritize the reduction of mark-up bearing obligations,

With respect to the civil suit, management of the Parent Company has already filed its 'leave to defend' in the Court of law through its legal counsel and already maintains a balance of Rs. 628.05 million with the Sukuk's issue agent and Rs. 120 million with the Sukuk participant who has initiated the legal proceedings against the Parent Company. Despite repeated management requests to access the above balances for settlement of its due obligations, the Parent Company has been denied its rightful access putting additional mark-up burden on the Parent Company. As of the date on which these condensed interim 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 instead management is engaging with these parties to implement further restructuring of the loan obligations for an amicable resolution of the matter. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced (refer to note 9.1) under the terms of the Sukuk's Trust Deed, however, in case of any adverse eventuality this unilateral demand will be bridged through financial support from the sponsor of the Parent Company.

As a mitigating factor to the liquidity crunch due to timing of generation of operating cashflows, the management of the Parent Company envisages sponsor support to meet any shortfall. Sponsor remains committed and has confirmed the continued support and to fund any cash gap as required. 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 amount, when required, and

Although the loan related obligations are classified as current in these condensed interim financial statements, management after taking into account the implications of above-mentioned civil suit and legal advice, does not expect to pay the lenders accelerated payments, if:

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

For the six months period ended 31 December 2024

- a. the overdue amounts are repaid (operating cash flows and envisaged funds injection are expected to be sufficient); or
- b. management of the Parent Company further progresses in the restructuring negotiations and manages to agree revised repayment terms of loans.

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

Management of the Parent Company 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 Parent Company's ability to continue as a going concern and, therefore, the Parent Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed interim financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## 3 ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Material accounting policy information

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 annual audited Consolidated financial statements of the Parent Company for the year ended 30 June 2024. However, the comparative period presented in Consolidated condensed interim statement of profit or loss and statement of cash flows was previously based on the Technical Release 27 IAS-12, Income Taxes issued by Institute of Chartered Accountants of Pakistan, which has now been replaced with circular 07/2024 dated 15 May 2024. As per the guidance, minimum taxes and certain final taxes paid should be classified as "Levies" and not income tax. However, there is no impact of the said change on the previously reported amounts of income tax expense and income tax payments as presented in these condensed interim consolidated financial statements.

### 3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of the Parent Company for the year ended 30 June 2024.

Standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain standards amendments to the accounting standards and interpretations that are mandatory for the Group accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or to have any significant effect on the Group operations and are therefore, not detailed in these condensed interim Consolidated financial statements.

## 4 SHARE CAPITAL

There is no change in the authorized, issued, subscribed and paid up share capital of the Parent Company from 30 June 2024.

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000]	
<b>5 LOANS AND BORROWINGS - Secured</b>		
<b>a. Non current portion</b>		
Term Finance Loan - 1	892,712	892,081
Term Finance Loan - 3	499,987	499,987
Term Finance Loan - 4	999,980	1,199,980
Term Finance Loan - 6	302,419	309,264
Sukuk	4,473,129	4,473,129
Preference Shares	279,000	279,000
Term Finance Loan - 7	70,000	81,250
Term Finance Loan - 8	45,000	45,000
Transaction cost	(9,745)	(18,236)
	<u>7,552,482</u>	<u>7,761,455</u>
Current portion of loans	<u>(6,990,747)</u>	<u>(7,137,786)</u>
	<u>561,735</u>	<u>623,669</u>
<b>b. Current portion</b>		
Current portion of loans	6,990,747	7,137,786
Markup accrued	1,553,612	1,050,252
	<u>8,544,359</u>	<u>8,188,038</u>

5.1 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited Consolidated financial statements of the Group for the year ended 30 June 2024.

Due to reasons as explained in note 2.1, the Parent Company did not comply with the terms of loan agreements including compliance with certain restrictive covenants mainly thresholds of current ratio, debt to equity ratio and debt service coverage ratio, accordingly, the entire outstanding obligation except "Term Finance Loan - 4" have been classified as current liability in these condensed interim Consolidated financial statements. Management is in the process of negotiating restructuring terms with its lenders, however, as of the date these condensed interim Consolidated financial statements have been authorized for issue, these have not been formalized. Refer note no. 9.1.

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000]	
<b>6 LEASE LIABILITIES</b>		
Opening	335,237	400,070
Additions during the period/ year	9,708	54,752
Interest expense	21,324	53,223
Payments	(79,590)	(167,461)
Terminations	(7,816)	(5,347)
Closing	<u>278,863</u>	<u>335,237</u>
Current portion	<u>90,033</u>	<u>143,642</u>
Non-current portion	<u>188,941</u>	<u>191,595</u>

6.1 The current payable amount to related party is Rs. 6.4 million [30 June 2024: Rs.4.0 million]

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000]	
<b>7 SHORT TERM BORROWINGS - secured</b>		
	Note	
Running finance facilities - banking companies	7.1	1,765,753
Short term loan - unsecured	7.2	253,923
Short term loan		5,000
Markup accrued		99,473
		<u>1,453,261</u>
		<u>2,124,149</u>

7.1 During the interim period, the Parent Company settled one of its short term borrowing facility amounting to Rs. 320 million bringing the total facility lines available to the Parent Company amounting to Rs. 1,500 million [30 June 2024: 1,820 million].

7.2 This includes an amount of Rs. 13.15 million [30 June 2024: Rs. 11.70 million] due to director of the Parent Company and an amount fo Rs. 25.18 million [30 June 2024: Rs. 25.18 million] due to director of subsidiary company.

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000]	
<b>8 TRADE AND OTHER PAYABLES</b>		
	Note	
Creditors		1,709,342
Accrued liabilities	8.1	1,017,029
Shop deposits		50,895
Retention money		149,747
Due to related parties - unsecured		78,475
Sales tax payable-net		246,855
Income tax deducted at source		115,232
Unearned income		35,339
Payable to provident fund		8,093
Other liabilities	8.1	360,109
		<u>3,847,012</u>
		<u>3,771,116</u>



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

For the six months period ended 31 December 2024

8.1 This includes amount of Rs. 131.79 million [30 June 2024: Rs. 64.16 million] payable to directors and CEO of the Parent Company.

8.2 This includes amount of Rs. 169.348 million [30 June 2024: Rs. 8.04 million] payable to directors and CEO of the Parent Company.

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

9.1.1 During the interim period, one of the Sukuk participant has served a legal notice of willful default to the Parent Company and its directors, requiring settlement of its entire share in Sukuk. The Parent Company initiated counter legal proceedings and has obtained a stay order against any adverse actions by the Sukuk participant and accordingly, the matter remains sub-judice before the Court. In the interim, the Sukuk participant has initiated a civil suit for recovery against the Parent Company and other lenders. With respect to the civil suit, management has already filed its 'leave to defend' in the Court of law through its legal counsel. The Parent Company has not received any other notice from either the agent bank of lenders or other Sukuk participants instead management is engaging with these parties to implement further restructuring of the loan obligations for an amicable resolution of the matter. Accordingly, based on legal advice, management believes it is not likely that this unilateral demand will be enforced under the terms of the Sukuk's Trust Deed. Notwithstanding, the entire Sukuk obligation has been classified as a current liability in these condensed interim Consolidated financial statements.

	Note	Unaudited 31 Dec 2024 [Rupees'000]	Audited 30 June 2024
<b>9.2 Guarantees</b>			
9.2.1 Guarantees issued by the banks on behalf of the Group	9.2.1.1	351,246	351,246
9.2.1.1 This also includes guarantee of Rs.7 million on behalf of wholly owned subsidiary company.			
9.2.2 The Group has issued corporate guarantee of Rs. 630 million [30 June 2024: 630 million] to financial institution on behalf of its Pak Vitae (Private) Limited, a subsidiary company of the Group.			
<b>9.3 Commitments</b>			
Commitments for capital expenditure		2,942,586	3,007,411
		Unaudited 31 Dec 2024	Audited 30 June 2024
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>	Note	[Rupees'000']	
Operating fixed assets	10.1	45,610,759	44,631,625
Capital work in progress	10.2	9,919,089	10,099,334
		55,529,848	54,730,959

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

For the six months period ended 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
	Note	[Rupees'000']	
<b>10.1 Operating fixed assets</b>			
Carrying amount at beginning of the period / year		44,631,625	42,705,243
Additions during the period / year	10.2.2	26,485	157,080
Transfer from Capital work in progress		1,462,422	1,877,259
Asset transfer from held for sale		-	363,300
Revaluation Surplus		-	510,000
Lease Termination		(4,411)	(2,723)
Transfer to capital work in progress		(586)	(1,154)
Impact of Subsidiary Disposal		-	(10,660)
Disposal during the period / year		(7,122)	(23,652)
Depreciation charge for the period / year	10.2.2	(497,654)	(943,068)
Carrying amount at end of the period / year		<u>45,610,759</u>	<u>44,631,625</u>
<b>10.2 Capital work in progress</b>			
Carrying amount at beginning of the period / year		10,099,334	3,871,370
Additions during the period / year		1,282,177	2,143,904
Transferred to operating fixed assets		(1,462,422)	(1,877,259)
Transferred to non current asset held for sale		-	5,961,319
Carrying amount at end of the period / year	10.2.1	<u>9,919,089</u>	<u>10,099,334</u>
<b>10.2.1 Closing capital work in progress represents:</b>			
Construction of Pearl Continental Multan	10.2.3	6,001,661	5,961,319
Construction of Pearl Continental Mirpur		3,659,204	3,664,299
Other civil works		258,224	473,716
		<u>9,919,089</u>	<u>10,099,334</u>

10.2.2 Additions in and depreciation on property, plant and equipment during the six months period ended 31 December 2023 were Rs. 58.55 million and Rs. 460.57 million respectively.

10.2.3 Management of the Parent Company is pursuing for sale of its under construction hotel property situated at Multan, however, as at the date of these condensed interim consolidated financial statements, the criterion for classification as 'non-current asset held for sale' is not met. Carrying amount of the under construction hotel property remains below its fair value, accordingly, no impairment has been recognized in these condensed interim consolidated financial statements.

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Audited 30 June 2024
	[Rupees'000]	
<b>11 INTANGIBLE ASSET</b>		
Project under development	-	-
Software	58,006	67,510
	<u>58,006</u>	<u>67,510</u>
<b>Cost</b>		
Opening balance	203,069	789,462
Additions	-	8,755
Impact of subsidiary disposal	-	[377,268]
Other adjustments	-	[1,806]
Impairment	-	[216,074]
Closing balance	<u>203,069</u>	<u>203,069</u>
<b>Accumulated amortisation</b>		
Opening balance	135,559	111,615
Amortisation charge	9,504	23,944
Closing balance	<u>145,063</u>	<u>135,559</u>
<b>Net book value</b>		
Cost	203,069	203,069
Accumulated amortisation	[145,063]	[135,559]
Closing balance	<u>58,006</u>	<u>67,510</u>
<b>Amortisation rate per annum</b>		
Project under development	5% to 10%	5% to 10%
Software	30%	30%

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

For the six months period ended 31 December 2024

		Unaudited 31 Dec 2024	Audited 30 June 2024
		(Rupees'000)	
<b>12 ADVANCE FOR CAPITAL EXPENDITURE</b>			
Advance for purchase of land	12.1	668,820	668,820
Advance for purchase of Malir Delta Land	12.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		<b>1,010,476</b>	<b>1,010,476</b>
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		5,946	16,549
Advances for Pearl Continental Multan Project	12.3	-	15,912
Advances for Pearl Continental Mirpur Project		133,215	133,215
		<b>139,161</b>	<b>165,676</b>
		<b>1,149,637</b>	<b>1,176,152</b>

12.1 This includes amount of Rs. 626.82 million (30 June 2024: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar, in previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Parent Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Parent Company to place the matter before the shareholders of the Parent Company in the general meeting and seek their approval in terms of section 199 of the Companies Act, 2017. The directors of the Parent Company has filed an appeal in the 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 previous year, the Honourable Islamabad High Court vide order dated 13 December 2023 has decided the matter in favor of the Company

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

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

12.3 This represents amount paid to a related party of the parent Company on account of project management services amounting to Rs. Nil (30 June 2024: Rs. 15.91 million).

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

For the six months period ended 31 December 2024

	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023
	[Rupees'000']	
<b>13 ADVANCE AGAINST EQUITY INVESTMENT</b>		
Xoop Technologies (Private) Limited Impairment allowance	248,278 (248,278)	248,278 (248,278)
	-	-
Home Shopping Impairment allowance	116,124 (116,124)	116,124 (116,124)
	-	-
	-	-
<b>14 SHORT TERM INVESTMENTS</b>		
<i>Fair value through other comprehensive income</i>		
National Technology Development Corporation Limited	200	200
Indus Valley Solvent Oil Extraction Limited	500	500
Impairment loss	(700)	(700)
	-	-
<i>Amortized cost</i>		
Term deposit receipt	637,579	637,579
Term Finance certificate	75,000	75,000
Accrued interest	2,987	4,663
	715,566	717,242
<i>Financial assets at fair value through profit or loss</i>		
Mutual Fund	-	3,410
Shares of listed Companies	16,951	8,630
	16,951	12,040
	732,517	729,282

	Note	Three months period ended 31 December		Six months period ended 31 December	
		2024	2023	2024	2023
<b>15 REVENUE - NET</b>		[Rupees'000']			
Rooms		2,284,217	2,081,449	4,416,863	3,924,002
Food and beverages		2,815,715	2,557,824	5,217,051	4,633,690
Other related services	15.1	269,683	305,935	585,900	573,565
Vehicle rentals		138,704	100,347	165,843	135,118
Shop license fees		(53,011)	(41,114)	20,071	18,865
Franchise & management fee revenue		138,557	50,206	148,278	59,254
		5,593,865	5,054,647	10,554,006	9,344,494
Discounts and commissions		(113,801)	(107,205)	(240,291)	(224,835)
Sales tax		(769,976)	(679,065)	(1,435,769)	(1,246,011)
		4,710,088	4,268,377	8,877,946	7,873,648

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

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

For the six months period ended 31 December 2024

	Three months period ended 31 December		Six months period ended 31 December	
	2024	2023	2024	2023
<b>16 COST OF SALES AND SERVICES</b>				
<b>Food and beverages</b>				
Opening balance	151,655	158,403	195,604	186,720
Purchases during the period	765,967	742,781	1,318,425	1,287,635
Closing balance	(186,757)	(182,552)	(186,757)	(182,552)
Consumption during the period	730,865	718,632	1,327,272	1,291,803
<b>Direct expenses</b>				
Salaries, wages and benefits	642,076	587,066	1,237,467	1,176,705
Heat, light and power	405,895	391,936	962,031	871,141
Repair and maintenance	132,992	114,937	261,297	230,927
Depreciation	206,725	184,004	409,274	372,225
Amortization	4,115	5,554	8,554	11,591
Guest supplies	97,861	98,131	183,258	179,642
Linen, china and glassware	54,937	46,902	95,773	88,331
Communication and other related services	2,814	3,304	5,417	5,063
Laundry and dry cleaning	23,581	22,598	46,933	42,871
Banquet and decoration	16,105	18,525	27,041	34,412
Transportation	6,451	7,228	8,735	9,020
Uniforms	4,418	5,352	10,215	12,968
Music and entertainment	5,374	5,314	10,541	9,902
Insurance	1,068	849	2,136	1,676
Vehicle operating Expense	27,708	28,635	54,412	55,039
Vehicle Rental and Registration Charges	22,719	11,809	32,839	17,272
Others	82,907	46,097	128,116	71,281
	2,468,611	2,296,873	4,811,311	4,481,869
<b>17 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>				
Profit before tax			844,737	1,051,396
<b>Adjustments for:</b>				
Depreciation			497,654	460,574
Amortization			9,504	14,066
[Gain] / Loss on disposal of property, plant and equipment			(11,686)	(46,524)
Provision for staff retirement benefit - gratuity			44,970	61,895
Provision for compensated leave absences			15,087	27,045
Provision for doubtful debts			(2,176)	45,998
Return on bank deposits / certificate of investments			(62,558)	(95,791)
Finance cost			1,052,115	1,046,240
Gain on lease termination			(3,405)	-
Unrealized loss of rooms allocation on long term basis			14,764	-
Realised loss from sale of short term investment			9,798	-
Unrealised gain on remeasurement of investments to fair value - net			(115,053)	(3,103)
Share of gain in equity accounted investment-net			(65,625)	(65,144)
[Reversal] / impairment on investment in associated company			(263,532)	(153,179)
			1,964,594	2,343,473
<b>18 CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances			13,358	460,749
Short term borrowings			(1,134,584)	(1,713,580)
Accrued profit on bank deposits			(3,514)	(1,239)
			(1,124,740)	(1,254,070)

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

For the six months period ended 31 December 2024

## 19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Six months period ended 31 December	
	2024	2023
	[Rupees'000]	
<b>Transactions with associated undertakings</b>		
Sales	714	1,695
Services provided	1,237	46,993
Services availed	323,572	347,188
Purchases	37,749	151,069
Franchise fee - income	3,601	3,615
<b>Balances as at the period end:</b>		
- Trade debts	61,429	*54,759
- Trade Advances, deposits, prepayments & other receivables	22,485	*34,307
- Contract liabilities	67,888	*29,916
<b>Transactions with other related parties</b>		
Sales	274	304
Services provided	984	-
Services availed	23,703	23,162
Contribution to defined contribution plan - provident fund	40,015	35,600
Short term loan repaid during the period	-	50,000
<b>Balances as at the period end:</b>		
- Trade debts	425	*781
- Advance for capital expenditure	626,820	626,820
<b>Transactions with key management personnel</b>		
Remuneration and allowances including staff retirement benefits	404,909	285,901
Loan from key management personnel during the period	1,440	-
Loan settlement to key management personnel during the period	-	625,373
Other receivables	98	*389
Payable to key management personnel	301,138	*8,047

\* Represents balances as at 30 June 2024.

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

For the six months period ended 31 December 2024

## 20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 20.1 Accounting classifications and fair values

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

	Note	Carrying amount				Fair value				
		Amount in Rs'000				Total	Level 1	Level 2	Level 3	Total
		Financial Assets		Financial Liabilities						
Fair value through profit or loss	Fair value through OCI	Amortized cost	Amortized cost							
<b>31 December 2024</b>										
<b>Financial assets measured at fair value</b>										
Shares of listed Companies	14	16,951	-	-	-	16,951	16,951	-	-	16,951
Long term deposits		45,711	-	-	-	45,711	-	-	45,711	45,711
Short term deposits		62,563	-	-	-	62,563	-	-	62,563	62,563
		<u>125,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,225</u>	<u>16,951</u>	<u>-</u>	<u>108,274</u>	<u>125,225</u>
<b>Financial assets not measured at fair value</b>										
Trade debts	20.2	-	-	1,328,798	-	1,328,798	-	-	-	-
Contract assets		-	-	23,199	-	23,199	-	-	-	-
Advance to employees		-	-	9,636	-	9,636	-	-	-	-
Other receivables		-	-	90,136	-	90,136	-	-	-	-
Short term investments	14	-	-	712,579	-	712,579	-	-	-	-
Accrued interest		-	-	6,501	-	6,501	-	-	-	-
Cash and bank balances		-	-	475,922	-	475,922	-	-	-	-
		<u>-</u>	<u>-</u>	<u>2,646,771</u>	<u>-</u>	<u>2,646,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>										
Loans and borrowings	20.2	-	-	-	9,115,839	9,115,839	-	-	-	-
Other non-current liabilities	5	-	-	-	199,619	199,619	-	-	-	-
Short term borrowings	7	-	-	-	1,453,261	1,453,261	-	-	-	-
Lease liabilities	6	-	-	-	278,863	278,863	-	-	-	-
Trade and other payables	20.3	-	-	-	3,366,557	3,366,557	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>14,424,909</u>	<u>14,424,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2024</b>										
<b>Financial assets measured at fair value</b>										
Short term investments	14	12,040	-	-	-	12,040	12,040	-	-	12,040
Long term investment		-	670,360	-	-	670,360	-	670,360	-	670,360
Long term deposits		17,581	-	-	-	17,581	-	-	-	-
Short term deposits		34,006	-	-	-	34,006	-	-	-	-
		<u>63,627</u>	<u>670,360</u>	<u>-</u>	<u>-</u>	<u>733,987</u>	<u>12,040</u>	<u>670,360</u>	<u>-</u>	<u>682,400</u>
<b>Financial assets not measured at fair value</b>										
Trade debts	20.2	-	-	901,736	-	901,736	-	-	-	-
Contract assets		-	-	46,156	-	46,156	-	-	-	-
Advance to employees		-	-	4,653	-	4,653	-	-	-	-
Other receivables		-	-	316,717	-	316,717	-	-	-	-
Short term investments	14	-	-	715,989	-	715,989	-	-	-	-
Accrued interest		-	-	4,663	-	4,663	-	-	-	-
Cash and bank balances		-	-	437,125	-	437,125	-	-	-	-
		<u>-</u>	<u>-</u>	<u>2,427,039</u>	<u>-</u>	<u>2,427,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>										
Loans and borrowings	20.2	-	-	-	8,829,943	8,829,943	-	-	-	-
Other non-current liabilities	5	-	-	-	221,497	221,497	-	-	-	-
Short term borrowings	7	-	-	-	2,124,149	2,124,149	-	-	-	-
Lease liabilities	6	-	-	-	335,237	335,237	-	-	-	-
Trade and other payables	20.3	-	-	-	3,373,690	3,373,690	-	-	-	-
Unclaimed dividend		-	-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>14,895,286</u>	<u>14,895,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



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

For the six months period ended 31 December 2024

20.2 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.

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

## 21 DATE OF AUTHORISATION FOR ISSUE

21.1 These condensed interim consolidated financial statements have been signed by two directors on behalf of the Board of Directors of the Parent Company as Chief Executive Officer at the time of signing was not available in Pakistan

21.2 These condensed interim consolidated financial statements have been signed by the Board of Directors of the Parent Company in its meeting held on 24 February 2025.



**Bastien Paul Emile Blanc**  
Chief Executive Officer



**Murtaza Hashwani**  
Director



**Adnan Ahmed Saeed**  
Acting Chief Financial Officer



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