



Pearl-Continental  
HOTELS & RESORTS



PAKISTAN SERVICES LTD.

# Condensed Interim Financial Information (Unaudited)

for the nine months period ended 31 March 2011



### **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 Excellency and Dynamism through offering competitive and innovative high quality value added services to our guests and business partners.

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

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

Keeping close-watch at socio-political environment to make use of all available growth 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 Profile/ Information

Pearl Continental Hotels, a chain owned and operated by Pakistan Services Limited ("the Company"), sets the international standards for quality hotel accommodation in South Asia. The Company manages 6 luxury hotels at Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,402 rooms with registered office in Islamabad, Pakistan.

#### BOARD OF DIRECTORS

Mr. Sadruddin Hashwani Chairman  
Mr. Murtaza Hashwani Chief Executive Officer  
Ms. Sarah Hashwani  
Mr. M. A. Bawany  
Mr. Mansoor Akbar Ali  
Syed Sajid Ali  
Mr. Muhammad Rafique  
Mr. Rolf Richard Bauer  
Mr. Bashir Ahmed

#### AUDIT COMMITTEE

Mr. Sadruddin Hashwani  
Ms. Sarah Hashwani  
Mr. Mansoor Akbar Ali  
Syed Sajid Ali

#### COMPENSATION COMMITTEE

Mr. Sadruddin Hashwani  
Mr. Murtaza Hashwani  
Mr. M. A. Bawany

#### HUMAN RESOURCE & RECRUITMENT COMMITTEE

Mr. Sadruddin Hashwani  
Mr. Murtaza Hashwani  
Mr. M. A. Bawany  
Mr. Bashir Ahmed

#### CHIEF FINANCIAL OFFICER

Mr. Muhammad Rafique

#### COMPANY SECRETARY

Mr. Mansoor Khan

#### AUDITORS

M/s KPGM 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

Allied Bank Limited  
Habib Bank Limited  
JS Bank Limited  
KASB Bank Limited  
NIB Bank Limited  
National Bank of Pakistan  
Silkbank Limited  
Soneri Bank Limited  
The Bank of Punjab  
United Bank Limited

#### REGISTERED OFFICE

9th Floor, UBL Building, Jinnah Avenue,  
Blue Area, Islamabad.  
Tel: 0092-51-2812142  
Fax: 0092-51-2812143  
<http://www.pchotels.com>  
<http://www.pchotels.biz>  
<http://www.pchotels.com.pk>  
<http://www.pearlcontinental.biz>  
<http://www.pchotels.com.pk>  
<http://www.hashoogroup.com>  
<http://www.hashoogroup.com.pk>  
<http://www.hashoogroup.biz>  
<http://www.hashoogroup.info>  
<http://www.hashoo.info>

#### SHARE REGISTRAR

M/s Technology Trade (Private) Limited.  
Dagia House, 241-C, Block-2, PECHS,  
Off Shahrah-e-Quaideen, Karachi.

## Directors' Report

### Dear Members

The Board of Directors of Pakistan Services Limited takes pleasure in presenting the unaudited condensed interim financial information of the Company for the nine months period ended on 31 March 2011.

### Economic Overview

The global economy, though showing signs of recovery, came under further stress due to unrest in the Arab World and the earthquake followed by devastating tsunami in Japan. The consequence of Libyan conflict has been continuous rise in the oil prices, which have reached new heights. Inflation, all over the world, is pervasive. Food and commodity prices are especially the lead agents of inflation. Pakistan's economy too has come under tremendous pressure. Electricity and Gas shortages are severe. Increase in food prices and energy has impacted adversely on the lives of citizens especially those in the low income group.

The hotel industry here is thus still under depression but, despite facing such circumstances your Company's professionals have been ceaselessly working to keep a tight grip on the major expenditure contributors purchase of commodities, food items, machinery and equipment; consumptions of energy; and disbursements on account of human resource employment, and we have been adequately rewarded as the performance results show. We are pleased to inform that your Company was better off during the period of nine months under report than the corresponding period of last year, so we are looking with confidence to the future. We believe in the axiom that there is no limit to human innovations and what can be imagined can be achieved in reality.

The total Sales and Services registered an increase of Rs. 667 million thereby enabling your Company to achieve profit (before tax and gain on re-measurement of listed securities) of Rs. 694 million as compared to Rs. 349 million earned in the comparative period. The performance of stock market resulted in unrealized gain of Rs. 63 million to the recorded profitability as against that of Rs. 158 million booked in the corresponding period of last year. The Company resultantly succeeded in recording profit after tax of Rs. 536 million as against that of Rs. 381 million of the corresponding period of last year.

### Glimpse of Performance:

	For the nine months period ended 31 March	
	2011	2010
	(Rupees' 000)	
Sales and services-net	<u>3,736,522</u>	<u>3,069,449</u>
Gross profit	<u>1,517,014</u>	<u>1,064,947</u>
Profit before taxation	<u>756,982</u>	<u>506,794</u>
Profit after taxation	<u>535,635</u>	<u>381,410</u>
Earnings per share (Rupees)	<u>16.47</u>	<u>11.73</u>

### Rooms Revenue

During the nine months period under review, Rooms Revenue (exclusive of GST) was achieved at Rs. 1,571 million as against Rs. 1,256 million of the corresponding period of last year. Thus there was incremental revenue of Rs. 315 million as a result of moderate recovery in the Rooms Occupancy, which improved from 47% during the comparative period of last year to 53% in the period under review. The upward trend in Average Daily Room Rate (ADRR) from Rs. 7,216 of the comparative period last year to Rs. 7,471 also contributed towards growth in Rooms Revenue.

### Food & Beverages Revenue

During the period under review, revenue from Food & Beverages segment (exclusive of GST) was recorded at Rs. 1,968 million reflecting increase of Rs. 328 million and with 20% growth surpassed Rs. 1,640 million of the corresponding nine months period of last year.

#### **Other Related Services, Shop License Fees & Tour Division**

Performance of these minor business segments remained satisfactory. Total revenue (exclusive of GST) during the period under review stood at Rs. 197 million as compared to Rs. 173 million of the corresponding period of last year and generated additional revenue of Rs. 24 million.

#### **Future Prospects**

Our professionals have amply demonstrated that they have the competence, will, and stamina to face challenging turbulent business environment and negotiate through it successfully and keep progressing with better results from year to year. Our relentless struggle goes on for enhancing the security of Company's properties; and we are striving non-stop for improving the quality of services to our guests; for modernization of guestrooms of the properties, and for clamping down on all factors that contribute to the operating cost.

The Renovation of PC Hotels, Karachi and Bhurban is underway. Special attention is being given to the upgrading of bath rooms of these hotels. New furniture for Executive Floors 7-9 of PC Hotel, Karachi has been ordered. All these projects are shining examples of our resolve and faith in the bright future of Pakistan and with it that of your Company.

#### **Consolidated Results**

The Sales and Services of your Company based on the consolidated financial information for the nine months period under report stood at Rs. 3,809 million as against Rs. 3,144 million of the corresponding period of last year, registering an increase of nearly Rs. 665 million. The 21% growth in overall Sales and Services made it further possible to surpass profit before tax from Rs. 365 million of the comparative period of last year to Rs. 691 million of the period under review.

#### **Change in Board of Directors**

At the extraordinary general meeting held on 28 March 2011, the shareholders of the Company elected nine directors for the term of three years commencing from 29 March 2011. The names of the newly elected directors are as under:

Mr. Sadruddin Hashwani	Mr. Murtaza Hashwani
Ms. Sarah Hashwani	Mr. M. A. Bawany
Mr. Mansoor Akbar Ali	Syed Sajid Ali
Mr. Muhammad Rafique	Mr. Rolf Richard Bauer
Mr. Bashir Ahmed	

The Board in its meeting held on 28 March 2011 re-appointed Mr. Murtaza Hashwani as the Chief Executive of the Company for the term of three years commencing from 29 March 2011 on the same remuneration and terms and conditions as before.

Further, the Board in its meeting held on 28 March 2011 revised the salary of a director, Syed Sajid Ali.

Information pursuant to section 218 of the Companies Ordinance, 1984 in respect of above has already been circulated to the members and also attached to this report.

#### **Acknowledgement**

On behalf of the Board, we wish to express our profound appreciation to the dedicated professionals of Pakistan Services Limited and all those associated with the Company, our bankers, the valued guests, and the worthy shareholders for their well-placed confidence in the Company and their unwavering support.

For and on behalf of the Board of Directors

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

Islamabad: 28 April 2011



Condensed Interim  
Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Balance Sheet  
as at 31 March 2011**

	Note	Unaudited 31 March 2011 (Rupees' 000)	Audited 30 June 2010
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 50,000,000 (30 June 2010: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up share capital		325,242	325,242
Reserves		1,869,424	1,869,424
Unappropriated profit		<u>1,125,231</u>	<u>589,596</u>
		<b>3,319,897</b>	<b>2,784,262</b>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>20,007,770</b>	<b>20,007,770</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	4	-	36,000
Long term deposits		51,684	50,426
Deferred liabilities		354,453	364,810
		<b>406,137</b>	<b>451,236</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,365,378	1,219,783
Markup payable		32,130	25,849
Short term borrowings	5	811,664	888,088
Current portion of long term financing	4	54,000	72,000
Provision for taxation		61,362	29,225
		<b>2,324,534</b>	<b>2,234,945</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	<b>26,058,338</b>	<b>25,478,213</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

	Note	Unaudited 31 March 2011	Audited 30 June 2010
(Rupees' 000)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	21,933,006	21,972,632
Advance for capital expenditure	8	771,642	758,289
Investment property	9	389,763	45,000
Long term investments		1,235,655	1,065,455
Advance for equity investment	10	7,000	95,700
Long term deposits		5,071	3,526
		<b>24,342,137</b>	<b>23,940,602</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		88,952	83,954
Stock in trade - food and beverages		64,732	44,435
Trade debts		367,521	297,459
Advances		101,543	76,726
Trade deposits and prepayments		48,190	23,913
Interest accrued		28,545	47,472
Other receivables		45,927	50,314
Other financial assets		904,722	841,941
Cash and bank balances		66,069	71,397
		<b>1,716,201</b>	<b>1,537,611</b>
		<b><u>26,058,338</u></b>	<b><u>25,478,213</u></b>

M. A. Bawany  
Director

Muhammad Rafique  
Director



Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Profit and Loss Account (Unaudited)  
for the nine months period ended 31 March 2011**

	Note	Three months ended 31 March		Nine months ended 31 March	
		2011	2010	2011	2010
<b>(Rupees' 000)</b>					
Sales and services - net	11	<b>1,331,731</b>	1,081,109	<b>3,736,522</b>	3,069,449
Cost of sales and services	12	<b>(753,923)</b>	(655,761)	<b>(2,219,508)</b>	(2,004,502)
Gross profit		<b>577,808</b>	425,348	<b>1,517,014</b>	1,064,947
Administrative expenses		<b>(263,476)</b>	(221,323)	<b>(788,713)</b>	(690,402)
Other operating expenses		<b>(6,007)</b>	(5,812)	<b>(15,265)</b>	(10,342)
Other operating income		<b>108,715</b>	154,980	<b>176,341</b>	267,852
Finance cost		<b>(42,901)</b>	(40,364)	<b>(132,395)</b>	(125,261)
Profit before taxation		<b>374,139</b>	312,829	<b>756,982</b>	506,794
Taxation		<b>(89,854)</b>	(68,929)	<b>(221,347)</b>	(125,384)
Profit for the period		<b>284,285</b>	243,900	<b>535,635</b>	381,410
Earnings per share - basic and diluted (Rupees)	13	<b>8.74</b>	7.50	<b>16.47</b>	11.73

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)  
for the nine months period ended 31 March 2011**

	Three months ended 31 March		Nine months ended 31 March	
	2011	2010	2011	2010
	(Rupees' 000)			
Profit for the period	284,285	243,900	535,635	381,410
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>284,285</u>	<u>243,900</u>	<u>535,635</u>	<u>381,410</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

Condensed Interim Cash Flow Statement (Unaudited)  
for the nine months period ended 31 March 2011

Nine months ended 31 March  
2011 2010  
(Rupees' 000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation	756,982	506,794
<b>Adjustments for:</b>		
Depreciation	167,288	186,619
Gain on disposal of property, plant and equipment	(549)	(1,365)
Provision for staff retirement benefit - gratuity	29,227	22,634
Provision for doubtful debts	9,258	6,100
Return on bank deposits, letters of placements and certificates of investments	(59,046)	(62,992)
Finance cost	132,395	125,261
Dividend income	(740)	(725)
Unrealised gain on remeasurement of investments to fair value	(62,781)	(158,037)
Exchange (gain)/ loss - net	(1,222)	3,376
	<u>970,812</u>	<u>627,665</u>

**Working capital changes  
(Increase)/ decrease in current assets**

Stores, spare parts and loose tools	(4,998)	10,504
Stock in trade - food and beverages	(20,297)	(4,327)
Trade debts	(79,320)	(67,511)
Advances	(24,817)	(9,656)
Trade deposits and prepayments	(24,277)	7,635
Other receivables	4,387	50,539
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	145,594	(49,027)
<b>Cash used in operations</b>	<u>(3,728)</u>	<u>(61,843)</u>

Staff retirement benefit - gratuity paid	(11,857)	(31,808)
Income tax paid	(216,936)	(126,216)
Finance cost paid	(126,114)	(118,053)
<b>Net cash from operating activities</b>	<u>612,177</u>	<u>289,745</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Additions to property, plant and equipment	(142,246)	(58,493)
Purchase of investment property	(344,763)	(9,532)
Proceeds from disposal of property, plant and equipment	1,780	3,685
Purchase of long term investments	(74,500)	-
Advance for equity investment	(7,000)	(82,300)
Dividend income received	740	725
Receipts of return on bank deposits, letters of placements and certificates of investments	77,973	46,435
Payments of long term deposits	(287)	(31,136)
<b>Net cash used in investing activities</b>	<u>(488,303)</u>	<u>(130,616)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayments of long term financing	(54,000)	(54,000)
<b>Net cash used in financing activities</b>	<u>(54,000)</u>	<u>(54,000)</u>
Net increase in cash and cash equivalents	69,874	105,129
Cash and cash equivalents at beginning of the period	(816,691)	(195,621)
Exchange gain/ (loss) - net	1,222	(3,376)
Cash and cash equivalents at end of the period	<u>(745,595)</u>	<u>(93,868)</u>

**CASH AND CASH EQUIVALENTS**

Cash and bank balances	66,069	140,935
Short term borrowings	(811,664)	(709,803)
Certificates of investments	-	475,000
	<u>(745,595)</u>	<u>(93,868)</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

**Condensed Interim Statement of Changes in Equity (Unaudited)  
for the nine months period ended 31 March 2011**

	Share capital	Capital reserve	Revenue reserves		Total equity
		Share premium	General reserve	Unappropriated profit	
(Rupees' 000)					
<b>Balance as at 01 July 2009</b>	325,242	269,424	1,600,000	161,664	2,356,330
<i>Changes in equity for the period ended 31 March 2010</i>					
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	381,410	381,410
Total comprehensive income for the period	-	-	-	381,410	381,410
<b>Balance as at 31 March 2010</b>	<u>325,242</u>	<u>269,424</u>	<u>1,600,000</u>	<u>543,074</u>	<u>2,737,740</u>
<b>Balance as at 01 July 2010</b>	325,242	269,424	1,600,000	589,596	2,784,262
<i>Changes in equity for the period ended 31 March 2011</i>					
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	535,635	535,635
Total comprehensive income for the period	-	-	-	535,635	535,635
<b>Balance as at 31 March 2011</b>	<u>325,242</u>	<u>269,424</u>	<u>1,600,000</u>	<u>1,125,231</u>	<u>3,319,897</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

**Notes to the Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**1. STATUS AND NATURE OF BUSINESS**

Pakistan Services Limited (the Company) was incorporated on 06 December 1958 in Karachi, Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange (Guarantee) Limited. The Company is principally engaged in hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu and Kashmir. The Company's registered office is situated at 9th Floor, UBL Building, Jinnah Avenue, Blue Area, Islamabad.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended 30 June 2010, Comparative balance sheet is extracted from audited annual financial statements for the year ended 30 June 2010, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2010.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results. Condensed interim consolidated financial information is prepared separately.

**3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and estimates applied by the Company for the preparation of this condensed interim financial information are the same as those applied by the Company in preparation of audited annual financial statements for the year ended 30 June 2010.

**4. LONG TERM FINANCING**

During the nine months period ended 31 March 2011, the Company made repayments towards principal loan outstanding amounting to Rs. 54 million (31 March 2010: Rs. 54 million) whereas repayments of Rs. 54 million (31 March 2010: Rs. 54 million) are due within next twelve months.

<b>Unaudited 31 March 2011</b>	<b>Audited 30 June 2010</b>
<b>(Rupees' 000)</b>	

**5. SHORT TERM BORROWINGS**

**Running finance from banking companies**

National Bank of Pakistan	<b>605,047</b>	638,205
Habib Bank Limited	<b>168,447</b>	155,823
Soneri Bank Limited	<b>38,170</b>	94,060
	<b><u>811,664</u></b>	<u>888,088</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited annual financial statements of the Company for the year ended 30 June 2010.

**Notes to the Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**6. CONTINGENCIES AND COMMITMENTS**

**6.1 Contingencies**

Contingencies are the same as disclosed in the audited annual financial statements of the Company for the year ended 30 June 2010, except for the guarantees as disclosed below:

	<b>Unaudited 31 March 2011</b>	Audited 30 June 2010
	<b>(Rupees' 000)</b>	
<b>6.1.1 Guarantees</b>	<u><b>78,377</b></u>	<u>69,343</u>
<b>6.2 Commitments</b>		
<b>6.2.1 Commitments for capital expenditure</b>	<u><b>40,138</b></u>	<u>40,138</u>

**7. PROPERTY, PLANT AND EQUIPMENT**

During the nine months period ended 31 March 2011, the Company acquired property, plant and equipment aggregating Rs. 131.607 million (31 March 2010: Rs. 82.134 million) and the property, plant and equipment with carrying value of Rs. 1.231 million (31 March 2010: Rs. 2.320 million) were disposed off during the same period.

	<b>Note</b>	<b>Unaudited 31 March 2011</b>	Audited 30 June 2010
		<b>(Rupees' 000)</b>	
<b>8. ADVANCE FOR CAPITAL EXPENDITURE</b>			
Purchase of land		<b>626,820</b>	626,820
Purchase of apartment		<b>40,509</b>	40,509
Malir Delta land		<b>84,000</b>	84,000
Advance for purchase of property, plant and equipment		<u><b>20,313</b></u>	<u>6,960</u>
		<u><b>771,642</b></u>	<u>758,289</u>

**9. INVESTMENT PROPERTY**

Balance at beginning of the period		<b>45,000</b>	45,000
Purchase of investment property during the period	9.1	<u><b>344,763</b></u>	<u>-</u>
Balance at end of the period		<u><b>389,763</b></u>	<u>45,000</u>

**9.1** This includes purchase of investment property from M/s Hashwani Hotels Limited amounting to Rs. 322 million, a related party.

**10. ADVANCE FOR EQUITY INVESTMENT**

During the nine months period ended 31 March 2011, the Company made payments of Rs. 81.500 million for issuance of 815,000 ordinary shares of Rs. 100 each whereas Rs. 170.200 million were transferred to long term investments pursuant to issuance of 1,702,000 shares of Rs. 100 each.

**Notes to the Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

	Three months ended 31 March		Nine months ended 31 March	
	2011	2010	2011	2010
<b>(Rupees' 000)</b>				
<b>11. SALES AND SERVICES - net</b>				
Rooms	665,203	534,224	1,868,623	1,474,314
Food and beverages	840,112	679,655	2,307,266	1,903,408
Other related services	70,787	49,041	229,717	202,568
Shop license fees	1,856	1,694	5,108	4,959
	<u>1,577,958</u>	<u>1,264,614</u>	<u>4,410,714</u>	<u>3,585,249</u>
Discounts and commissions	(2,539)	(1,802)	(9,733)	(8,730)
Sales tax	(243,688)	(181,703)	(664,459)	(507,070)
	<u>1,331,731</u>	<u>1,081,109</u>	<u>3,736,522</u>	<u>3,069,449</u>
<b>12. COST OF SALES AND SERVICES</b>				
<b>Food and beverages</b>				
Balance at beginning of the period	59,725	42,036	44,435	42,867
Purchases during the period	274,071	218,064	754,891	600,459
	<u>333,796</u>	<u>260,100</u>	<u>799,326</u>	<u>643,326</u>
Balance at end of the period	(64,732)	(47,194)	(64,732)	(47,194)
Consumption during the period	<u>269,064</u>	<u>212,906</u>	<u>734,594</u>	<u>596,132</u>
<b>Direct expenses</b>				
Salaries, wages and benefits	173,864	159,275	516,609	461,068
Heat, light and power	106,543	95,892	336,853	310,071
Repairs and maintenance	69,306	46,994	217,713	227,023
Depreciation	50,725	56,047	150,560	167,957
Guest supplies	30,770	25,027	87,410	74,460
Linen, china and glassware	17,054	24,142	66,743	67,729
Communication and other related services	14,390	11,092	40,224	32,167
Banquet and decoration	10,673	13,150	32,108	34,855
Transportation	3,040	3,606	11,571	9,657
Uniforms	4,758	4,069	13,617	12,285
Music and entertainment	1,662	1,822	4,761	5,384
Others	2,074	1,739	6,745	5,714
	<u>753,923</u>	<u>655,761</u>	<u>2,219,508</u>	<u>2,004,502</u>
<b>13. EARNINGS PER SHARE</b>				
Profit for the period (Rupees '000)	<u>284,285</u>	<u>243,900</u>	<u>535,635</u>	<u>381,410</u>
Weighted average number of ordinary shares (Numbers)	<u>32,524,170</u>	<u>32,524,170</u>	<u>32,524,170</u>	<u>32,524,170</u>
Earnings per share- basic (Rupees)	<u>8.74</u>	<u>7.50</u>	<u>16.47</u>	<u>11.73</u>

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

**Notes to the Condensed Interim Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**14. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated companies, directors and close family members, companies with common directorship, executives, key management personnel, major shareholders and staff retirement fund of the Company. Transactions with related parties are as follows:

	<b>Nine months ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Rupees' 000)</b>	
<b>Transactions with subsidiary companies</b>		
Sales	635	227
Services provided	2,144	480
Services availed	26,771	15,410
Long term investment	74,500	-
Advance for equity investment	7,000	82,300
<b>Transactions with associates</b>		
Sales	1,453	3,480
Services provided	3,705	4,924
Services availed	32,559	22,395
Purchases	107,061	66,662
Purchase of air tickets	8,678	9,522
Purchase of property, plant and equipment	1,561	4,259
Insurance claims received	-	56,278
Contribution to the defined contribution plan	13,697	12,301
Purchase of investment property	322,000	-
Donation	19,200	-
<b>Transactions with key management personnel</b>		
Remuneration and allowances	37,788	21,560

**15. DATE OF AUTHORISATION FOR ISSUE**

This unaudited condensed interim financial information was authorised for issue by the Board of Directors of the Company in their meeting held on 28 April 2011.

**STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984**

The Chief Executive for the time being is not in Pakistan. As such this condensed interim financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director





PEARL-CONTINENTAL KARACHI



Condensed Interim Consolidated  
Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Consolidated Balance Sheet  
as at 31 March 2011**

	Note	Unaudited 31 March 2011 (Rupees' 000)	Audited 30 June 2010
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 50,000,000 (30 June 2010: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up share capital		325,242	325,242
Reserves		2,094,879	2,098,189
Unappropriated profit		<u>917,668</u>	<u>453,984</u>
		<u>3,337,789</u>	<u>2,877,415</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>20,007,770</b>	<b>20,007,770</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	4	-	36,000
Liabilities against assets subject to finance lease	5	15,264	21,803
Long term deposits		51,684	50,426
Deferred liabilities		<u>480,690</u>	<u>488,657</u>
		<u>547,638</u>	<u>596,886</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,388,124	1,240,018
Markup payable		32,130	25,849
Short term borrowings	6	811,664	888,088
Current portion of long term financing		68,553	88,671
Provision for taxation		<u>44,597</u>	<u>14,464</u>
		<u>2,345,068</u>	<u>2,257,090</u>
		<u>26,238,265</u>	<u>25,739,161</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

	Note	Unaudited 31 March 2011	Audited 30 June 2010
(Rupees' 000)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	22,257,539	22,277,858
Advance for capital expenditure	9	840,758	766,494
Investment property	10	389,763	45,000
Long term investments		1,430,532	1,444,122
Long term deposits		11,250	8,175
		<b>24,929,842</b>	<b>24,541,649</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		88,952	83,954
Stock in trade - food and beverages		64,732	44,435
Trade debts		380,518	312,699
Advances		103,565	77,741
Trade deposits and prepayments		50,977	25,149
Interest accrued		28,879	47,472
Other receivables		17,012	22,393
Other financial assets		485,442	483,741
Cash and bank balances		88,346	99,928
		<b>1,308,423</b>	<b>1,197,512</b>
		<b>26,238,265</b>	<b>25,739,161</b>

M. A. Bawany  
Director

Muhammad Rafique  
Director

Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Consolidated Profit and Loss Account (Unaudited)  
for the nine months period ended 31 March 2011**

	Note	Three months ended 31 March		Nine months ended 31 March	
		2011	2010	2011	2010
		(Rupees' 000)			
Sales and services - net	11	<b>1,350,378</b>	1,107,783	<b>3,809,035</b>	3,144,225
Cost of sales and services	12	<b>(767,654)</b>	(670,572)	<b>(2,260,063)</b>	(2,026,184)
Gross profit		<b>582,724</b>	437,211	<b>1,548,972</b>	1,118,041
Administrative expenses		<b>(268,867)</b>	(233,091)	<b>(816,982)</b>	(743,472)
Other operating expenses		<b>(6,007)</b>	(5,812)	<b>(15,265)</b>	(10,342)
Other operating income		<b>46,279</b>	39,159	<b>118,378</b>	123,204
Finance cost		<b>(43,981)</b>	(41,976)	<b>(135,984)</b>	(129,668)
		<b>310,148</b>	195,491	<b>699,119</b>	357,763
Share of (loss)/ gain in associated companies		<b>3,135</b>	(1,771)	<b>(8,498)</b>	7,512
Profit before taxation		<b>313,283</b>	193,720	<b>690,621</b>	365,275
Taxation		<b>(87,898)</b>	(69,956)	<b>(226,937)</b>	(128,017)
Profit for the period		<b>225,385</b>	123,764	<b>463,684</b>	237,258

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)  
for the nine months period ended 31 March 2011**

	Three months ended 31 March		Nine months ended 31 March	
	2011	2010	2011	2010
	(Rupees' 000)			
Profit for the period	225,385	123,764	463,684	237,258
<b>Other comprehensive income for the period</b>				
Exchange (loss)/ gain on translation of long term investments	(9,458)	27,645	(5,093)	42,195
Income tax on other comprehensive income	3,310	(9,676)	1,783	(14,768)
<b>Other comprehensive income for the period</b>	(6,148)	17,969	(3,310)	27,427
<b>Total comprehensive income for the period</b>	<u>219,237</u>	<u>141,733</u>	<u>460,374</u>	<u>264,685</u>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

Condensed Interim Consolidated Cash Flow Statement (Unaudited)  
for the nine months period ended 31 March 2011

	Nine months ended 31 March	
	2011	2010
	(Rupees' 000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	690,621	365,275
<b>Adjustments for:</b>		
Depreciation	177,739	197,740
Gain on disposal of property, plant and equipment	(1,186)	(4,305)
Provision for staff retirement benefit - gratuity	29,227	22,634
Provision for doubtful debts	9,259	6,100
Return on bank deposits, letters of placements and certificates of investments	(60,772)	(65,683)
Share of loss/ (gain) of associated companies	8,498	(7,512)
Finance cost	135,984	129,668
Dividend income	(740)	(725)
Unrealised gain on remeasurement of investments to fair value	(1,701)	(3,237)
Exchange (gain)/ loss - net	(1,216)	3,360
	985,713	643,315
<b>Working capital changes (Increase)/ decrease in current assets</b>		
Stores, spare parts and loose tools	(4,998)	12,119
Stock in trade - food and beverages	(20,297)	(4,327)
Trade debts	(77,078)	(70,669)
Advances	(25,824)	18,425
Trade deposits and prepayments	(25,828)	6,760
Other receivables	5,381	59,714
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	148,103	(44,522)
<b>Cash used in operations</b>	(541)	(22,500)
Staff retirement benefit - gratuity paid	(11,857)	(31,808)
Income tax paid	(220,356)	(130,775)
Finance cost paid	(129,703)	(122,460)
<b>Net cash from operating activities</b>	623,256	335,772
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(154,725)	(185,336)
Additions to advance for capital expenditure	(74,264)	(27,128)
Purchase of investments property	(344,763)	-
Proceeds from disposal of property, plant and equipment	3,591	10,521
Dividend income received	740	725
Receipts of return on bank deposits, letters of placements and certificates of investments	79,365	49,095
Payments of long term deposits	(1,817)	(33,166)
<b>Net cash used in investing activities</b>	(491,873)	(185,289)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long term financing	(54,000)	(54,000)
Repayments of lease liability	(13,757)	(12,763)
<b>Net cash used in financing activities</b>	(67,757)	(66,763)
Net increase in cash and cash equivalents	63,626	83,720
Cash and cash equivalents at beginning of the period	(788,160)	(144,222)
Exchange gain/ (loss)-net	1,216	(3,360)
Cash and cash equivalents at end of the period	(723,318)	(63,862)
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	88,346	170,941
Short term borrowings	(811,664)	(709,803)
Certificates of investments	-	475,000
	(723,318)	(63,862)

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director

Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011

**Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)  
for the nine months period ended 31 March 2011**

	Share capital	Capital reserve	Revenue reserves			Total equity
		Share premium	General reserve	Exchange gain on translation of long term investments	Unappropriated profit	
(Rupees' 000)						
<b>Balance as at 01 July 2009</b>	<b>325,242</b>	<b>269,424</b>	<b>1,600,000</b>	<b>201,208</b>	<b>67,372</b>	<b>2,463,246</b>
Changes in equity for the period ended 31 March 2010						
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	237,258	237,258
Exchange gain on translation of long term investments - net of tax	-	-	-	27,427	-	27,427
Total comprehensive income for the period	-	-	-	27,427	237,258	264,685
<b>Balance as at 31 March 2010</b>	<b>325,242</b>	<b>269,424</b>	<b>1,600,000</b>	<b>228,635</b>	<b>304,630</b>	<b>2,727,931</b>
<b>Balance as at 01 July 2010</b>	<b>325,242</b>	<b>269,424</b>	<b>1,600,000</b>	<b>228,765</b>	<b>453,984</b>	<b>2,877,415</b>
Changes in equity for the period ended 31 March 2011						
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	463,684	463,684
Exchange loss on translation of long term investments - net of tax	-	-	-	(3,310)	-	(3,310)
Total comprehensive income for the period	-	-	-	(3,310)	463,684	460,374
<b>Balance as at 31 March 2011</b>	<b>325,242</b>	<b>269,424</b>	<b>1,600,000</b>	<b>225,455</b>	<b>917,668</b>	<b>3,337,789</b>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director



**Notes to the Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**1. THE GROUP AND ITS OPERATIONS**

Pakistan Services Limited (the Parent Company) was incorporated on 06 December 1958 in Karachi, Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange (Guarantee) Limited. The Parent Company is principally engaged in hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu and Kashmir. The Parent Company's registered office is situated at 9th Floor, UBL Building, Jinnah Avenue, Blue Area, Islamabad.

- 1.1 This condensed interim consolidated financial information includes the condensed interim financial information of the Parent Company and the following Subsidiary Companies together constituting "the group":

<b>Subsidiary Companies</b>	<b>Nature of business</b>	<b>Holding</b>
Pearl Tours and Travels (Private) Limited	Rent a car, tour packages and travel related work	100%
Pearl Continental Hotels (Private) Limited	Non-operational	100%
Bhurban Resorts (Private) Limited	Non-operational	100%
Musafa International (Private) Limited	Project management	100%

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

This condensed interim consolidated financial information of the group has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 30 June 2010. Comparative consolidated balance sheet is extracted from annual consolidated financial statements for the year ended 30 June 2010, whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information for the nine months period ended 31 March 2010.

This condensed interim consolidated financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984.

**3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and estimates applied by the group for the preparation of this condensed interim consolidated financial information are the same as those applied by the group in preparation of annual consolidated financial statements for the year ended 30 June 2010.

**Notes to the Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**4. LONG TERM FINANCING**

During the nine months period ended 31 March 2011, the Parent Company made repayments towards principal loan outstanding amounting to Rs. 54 million (31 March 2010: Rs. 54 million) whereas repayments of Rs. 54 million (31 March 2010: Rs. 54 million) are due within next twelve months.

Unaudited 31 March 2011	Audited 30 June 2010
(Rupees' 000)	

**5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

**Present value of minimum lease payments**

Balance as at beginning of the period	38,474	19,493
Assets acquired during the period	5,100	40,620
Repayments made during the period	<u>(13,757)</u>	<u>(21,639)</u>
	29,817	38,474
Current maturity	<u>(14,553)</u>	<u>(16,671)</u>
Balance as at end of the period	<u>15,264</u>	<u>21,803</u>

**6. SHORT TERM BORROWINGS**

**Running finance from banking companies**

National Bank of Pakistan	605,047	638,205
Habib Bank Limited	168,447	155,823
Soneri Bank Limited	<u>38,170</u>	<u>94,060</u>
	<u>811,664</u>	<u>888,088</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited annual consolidated financial statements for the year ended 30 June 2010.

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

Contingencies are the same as disclosed in the audited annual consolidated financial statements of the group for the year ended 30 June 2010, except for the guarantees as disclosed below:

7.1.1 Guarantees	<u>79,012</u>	<u>69,978</u>
7.2 Commitments		
7.2.1 Commitments for capital expenditure	<u>74,149</u>	<u>105,764</u>

**Notes to the Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**8. PROPERTY, PLANT AND EQUIPMENT**

During the nine months period ended 31 March 2011 the group acquired property, plant and equipment aggregating owned Rs. 154.725 million; leased Rs. 5.100 million (31 March 2010 owned: Rs. 201.777 million; leased Rs. 40.620 million) and the property, plant and equipment with carrying value of owned Rs. 2.405 million; leased Rs. Nil (31 March 2010 owned: Rs. 4.321 million; leased Rs. 1.896 million) were disposed off during the same period.

<b>9. ADVANCE FOR CAPITAL EXPENDITURE</b>	<b>Note</b>	<b>Unaudited 31 March 2011</b>	<b>Audited 30 June 2010</b>
<b>(Rupees' 000)</b>			
Purchase of land		<b>626,820</b>	626,820
Purchase of apartment		<b>40,509</b>	40,509
Malir Delta land		<b>84,000</b>	84,000
Others		<b>89,429</b>	15,165
		<u><b>840,758</b></u>	<u>766,494</u>

**10. INVESTMENT PROPERTY**

Balance at beginning of the period		<b>45,000</b>	45,000
Purchase of investment property during the period	10.1	<b>344,763</b>	-
Balance at end of the period		<u><b>389,763</b></u>	<u>45,000</u>

**10.1** This includes purchase of investment property from M/s Hashwani Hotels Limited amounting to Rs. 322 million, a related party.

**Notes to the Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

	Three months ended		Nine months ended	
	31 March		31 March	
11. SALES AND SERVICES - net	2011	2010	2011	2010
	(Rupees' 000)			
Rooms	663,595	534,068	1,866,479	1,473,834
Food and beverages	839,751	679,577	2,306,631	1,903,181
Other related services	75,835	56,121	249,494	227,805
Vehicles rental	15,568	19,828	55,515	50,246
Shop license fees	1,856	1,694	5,108	4,959
	<u>1,596,605</u>	<u>1,291,288</u>	<u>4,483,227</u>	<u>3,660,025</u>
Discounts and commissions	(2,539)	(1,802)	(9,733)	(8,730)
Sales tax	(243,688)	(181,703)	(664,459)	(507,070)
	<u>1,350,378</u>	<u>1,107,783</u>	<u>3,809,035</u>	<u>3,144,225</u>
<b>12. COST OF SALES AND SERVICES</b>				
<b>Food and beverages</b>				
Balance at beginning of the period	59,725	42,036	44,435	42,867
Purchases during the period	273,710	217,986	754,256	600,232
	<u>333,435</u>	<u>260,022</u>	<u>798,691</u>	<u>643,099</u>
Balance at end of the period	(64,732)	(47,194)	(64,732)	(47,194)
Consumption during the period	<u>268,703</u>	<u>212,828</u>	<u>733,959</u>	<u>595,905</u>
<b>Direct expenses</b>				
Salaries, wages and benefits	173,864	159,275	516,609	461,068
Heat, light and power	106,543	95,892	336,853	310,071
Repairs and maintenance	69,306	46,994	217,713	227,023
Depreciation	54,018	67,168	159,966	179,078
Guest supplies	30,770	25,027	87,410	74,460
Linen, china and glassware	17,054	24,142	66,743	67,729
Communication and other related services	14,390	11,092	40,224	32,167
Banquet and decoration	10,673	13,150	32,108	34,855
Transportation	2,757	5,243	8,540	8,493
Uniforms	4,758	4,069	13,617	12,285
Music and entertainment	1,662	1,822	4,761	5,384
Hotel booking	491	2,094	4,779	6,220
Others	12,665	1,776	36,781	11,446
	<u>767,654</u>	<u>670,572</u>	<u>2,260,063</u>	<u>2,026,184</u>

**Notes to the Condensed Interim Consolidated Financial Information (Unaudited)  
for the nine months period ended 31 March 2011**

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated companies, directors and close family members, companies with common directorship, executives, key management personnel, major shareholders and staff retirement fund of the group. Transactions with related parties are as follows:

	<b>Nine months ended 31 March</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Rupees' 000)</b>	
<b>Transactions with associates</b>		
Sales	<b>1,784</b>	3,480
Services provided	<b>8,530</b>	9,198
Services availed	<b>35,703</b>	37,361
Purchases	<b>107,061</b>	66,943
Purchase of air tickets	<b>16,884</b>	23,880
Purchase of property, plant and equipment	<b>1,561</b>	4,259
Insurance claims received	-	56,278
Contribution to the defined contribution plan	<b>13,697</b>	12,301
Purchase of investment property	<b>322,000</b>	-
Donation	<b>19,200</b>	-
<b>Transactions with key management personnel</b>		
Remuneration and allowances	<b>37,788</b>	21,560

**14. DATE OF AUTHORISATION FOR ISSUE**

This unaudited condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Parent Company in their meeting held on 28 April 2011.

**STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984**

The Chief Executive of the Parent Company for the time being is not in Pakistan. As such this condensed interim consolidated financial information, as approved by its Board of Directors, has been signed by its two Directors.

**M. A. Bawany**  
Director

**Muhammad Rafique**  
Director



PAKISTAN SERVICES LTD.

9th Floor, USL Building, Iqbal  
Avenue, Blue Area, Islamabad.

Owners and operators of



## Pearl-Continental

HOTELS & RESORTS

### KARACHI\*

Tel: +92 21-111-505-505  
Fax: +92 21-35681835  
E-mail: pck@hashoogroup.com

### LAHORE

Tel: +92 42-111-505-505  
Fax: +92 42-36362760  
E-mail: pchl@hashoogroup.com

### RAWALPINDI

Tel: +92 51-111-505-505  
Fax: +92 51-5563927  
E-mail: pchr@hashoogroup.com

### PESHAWAR

Tel: +92 91-111-505-505  
Fax: +92 91-5276465  
E-mail: pchp@hashoogroup.com

### BHURBAN

Tel: +92 51-3355700-30  
Fax: +92 51-3355574  
E-mail: pchb@hashoogroup.com

### MUZAFFARABAD

Tel: +92 5822 43800-14  
Fax: +92 5822 438046  
E-mail: pchm@hashoogroup.com

A member of  
*"The Leading Hotels of the World"*

