



PSL

PAKISTAN SERVICES LTD.

PC

Pearl-Continental

HOTELS & RESORTS

**CONDENSED INTERIM
FINANCIAL INFORMATION**
(UNAUDITED)

For the nine months period ended 31 March 2016

Cultured like no other pearl in the world





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HOTELS & RESORTS

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FINANCIAL
INFORMATION

(UNAUDITED)

For the nine months period ended 31 March 2016



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 the latest technological facilities.

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

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

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

Corporate Information

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 6 luxury hotels in Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,526 rooms. It also owns another small hotel with 32 rooms in the Lahore city.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani Chairman & CEO
 Mr. M. A. Bawany
 Mr. Mansoor Akbar Ali
 Syed Sajid Ali
 Mr. Josef Kufer
 Mr. Shakir Abu Bakar
 Syed Haseeb Amjad Gardezi
 Mr. Talat Hameed
 Mr. M. Ahmed Ghazali Marghoob

AUDIT COMMITTEE

Mr. M. Ahmed Ghazali Marghoob
 Mr. Mansoor Akbar Ali
 Syed Sajid Ali
 Mr. Talat Hameed

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. A. Bawany
 Syed Sajid Ali

CHIEF FINANCIAL OFFICER

Mr. Abdul Qadeer Khan

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

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

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
 Bank Alfalah Limited
 JS Bank Limited
 NIB Bank Limited
 Silk Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 Industrial and Commercial Bank of China
 Albaraka Islamic Bank (Pakistan) Limited

REGISTERED OFFICE

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

On behalf of Board of Directors of Pakistan Services Limited (PSL), we are pleased to present before you the unaudited condensed interim financial information of the Company for the nine month period ending on 31 March 2016.

Economic Overview

The IMF's chief economist, announced a downward revision to its prediction for global GDP growth. The fund lowered its estimate of global growth for 2016 from 3.4% to 3.2%. Except for China and India, estimates were revised downwards around the globe. On the plus side, the lowered growth estimate is still higher than registered in 2015.

On Pakistan, IMF is cautiously optimistic announcing that the Country economy is gradually gaining strength and its short-term vulnerabilities are also receding. This is reflected in strong forex reserves, stable Pak Rupee and decline in fiscal deficit etc. However, challenges remain in the areas of security, shortfall in power generation, declining exports and continued domestic political issues.

Financial Performance

Revenue for the period under review registered a 19% increase to Rs.6,981 million. Gross Profit was higher by 29% increasing from Rs.2,668 million to Rs.3,444 million compared to the corresponding period last year. The positive performance of stock market further added Rs. 307 million, on account of unrealized gain on revaluation of PSL's investment in marketable securities, as against an unrealized loss Rs.93 million last year. Profit before Taxation, as a result, recorded a growth of 112% from Rs.945 million to Rs.2,003 million. After tax profit of Rs.1,530 million was recorded compared to Rs.604 million for the nine months last year.

Performance at a glance:	For the nine months period ended 31 March	
	2016	2015
	(Rupees '000)	
Sales and services-net	6,981,328	5,859,383
Gross profit	3,444,334	2,668,410
Profit before taxation	2,003,313	944,960
Profit after taxation	1,530,488	604,126
Earnings per share (Rupees)	47.06	18.57

Rooms Revenue

Both the Average Room Occupancy and Average Daily Room Rate registered improvements during the period because of which Room Revenue (exclusive of GST) was recorded at Rs. 3,390 million as against Rs. 2,779 million (exclusive of GST) registering a 22% growth of Rs. 611 million.

Food & Beverage Revenue

During the period under review, Food & Beverage Sales (exclusive of GST) were recorded at Rs. 3,286 million and registered an increase of Rs. 491 million as against that of Rs. 2,795 million during the comparative period of last year. The increase in revenue in this segment reflects an improvement of 18%.

Other Related Services, Shop License Fees & Tour Division

Revenue (exclusive of GST) from these segments for the period under review was recorded at Rs.305 million as compared to Rs.285 million of the corresponding period of last year. Performance of these minor operating segments registered 7% growth, adding Rs.20 million to the revenue.

Consolidated Results

The Total Revenue, based on the consolidated financial information for the nine months period under report, stood at Rs. 7,060 million against Rs.5,933 million last year reflecting a 19% increase of Rs.1,127 million. Profit before Tax was Rs. 2,062 million in comparison with Rs.946 million while Profit after Tax for the period under report was recorded at Rs.1,584 million as against Rs.597 million for the comparative period.

Change in Board and Management

During the period under review, two casual vacancies occurred as a result of resignation of Mr. Muhammad Rafique Director and Chief Financial Officer and Mr. Bashir Ahmed Director which were filled through appointment of Mr. Josef Kufer and Syed Haseeb Amjad Gardezi as Directors and Mr. Abdul Qadeer Khan as Chief Financial Officer. Mr. Nehal Ahmed Zaidi has been promoted as Head of Internal Audit.

Acknowledgement

The Board of Directors wishes to express its deep appreciation for the professional and dedicated services of all the employees, experts, consultants and others associated with the Company. It also places on record its profound thanks to the Company's bankers, the shareholders as well as all other stakeholders for their strong support and faith in the management of the Company. Most importantly, we thank our valued guests for patronising the Company's hotels.

For and on behalf of the Board of Directors



M.A. Bawany

Director

Islamabad: 30 April 2016



Shakir Abu Bakar

Director

ڈائریکٹرز رپورٹ

محترم اراکین:

پاکستان سروسز لمیٹڈ (پی ایس ایل) کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی غیر آڈٹ شدہ نو ماہ کی کارکردگی پر عبوری مالیاتی معلومات پر مبنی رپورٹ جس کی مدت 31 مارچ 2016 کو ختم ہوگئی ہے، مسرت کے ساتھ پیش کی جاتی ہے۔

1- اقتصادی جائزہ:

آئی ایم ایف کے چیف اکنامسٹ نے گلوبل جی ڈی پی کے ہدف پر نظر ثانی کا عندیہ دیا ہے۔ چین اور انڈیا کے علاوہ فنڈ نے پوری دنیا کے عالمی اقتصادی افزائش کا تخمینہ سال 2016 کو %3.4 سے کم کر کے %3.2 کر دیا ہے۔ تاہم یہ نظر ثانی شدہ اقتصادی افزائش کا تخمینہ 2015 میں ریکارڈ کیے گئے تخمینہ سے زیادہ ہے جو کہ ایک خوش آئند بات ہے۔

پاکستان پر آئی ایم ایف کی جانب سے اس بات کا حوصلہ افزاء اعلان کیا گیا ہے کہ پاکستان کی معیشت بتدریج بہتر ہو رہی ہے اور قومی طور پر درپیش خطرات بھی ختم ہو رہے ہیں۔ یہ بیرونی زرمبادلہ کی مضبوطی، پاکستانی روپے کی قدر میں استحکام اور مالیاتی خسارے میں کمی کی واضح عکاسی ہے۔ تاہم سکیورٹی معاملات، انرجی کی کمی، گرتی ہوئی برآمدات، اور اندرونی سیاسی مسائل میں چیلنجز درپیش ہیں۔

2- مالیاتی کارکردگی:

متذکرہ مدت کے دوران آمدنی %19 اضافہ کے ساتھ 6,981 ملین روپے رہی ہے۔ گزشتہ سال مذکورہ دورانیہ کے مقابلہ میں اس سال خام منافع %29 اضافہ کے ساتھ 2,668 ملین روپے کے مقابلے میں 3,444 ملین روپے ہے۔ سٹاک مارکیٹ میں مثبت کارکردگی کی وجہ سے مزید 307 ملین روپے اضافہ ہوا جبکہ گزشتہ سال 93 ملین روپے کا خسارہ تھا۔ بغیر ٹیکس کوئی آمدنی %112 اضافہ کے ساتھ 945 ملین روپے کے مقابلے میں 2,003 ملین روپے ہے۔ ٹیکس کوئی کے بعد منافع 1,530 ملین روپے ریکارڈ کیا گیا جو گزشتہ سال نو ماہ کے عرصہ میں 604 ملین روپے تھا۔

3- کارکردگی کی جھلکیاں

نوماء مدت اختتام 31 مارچ (رقم 000)		
2016	2015	
6,981,328	5,859,383	فروخت اور خدمات (خالص)
3,444,334	2,668,410	کل منافع
2,003,313	944,960	ٹیکس کٹوتی کے بغیر منافع
1,530,488	604,126	ٹیکس کٹوتی کے بعد منافع
47.06	18.57	نی کس شیئر آمدنی (روپے)

4- رومز ڈیپارٹمنٹ:

اس شعبے میں زیر جائزہ مدت کے دوران آمدن (علاوہ سیلز ٹیکس) گزشتہ سال تقابلی مدت کے 2,779 ملین روپے کے مقابلے میں 3,390 ملین روپے، 22% اضافے کے ساتھ ریکارڈ کی گئی ہے۔ اوسط یومیہ کمرے کی شرح اور اوسط یومیہ کمروں کی Occupancy میں بھی بہتری آئی ہے۔

5- فوڈ اینڈ بیورج (F&B) ڈیپارٹمنٹ:

زیر جائزہ مدت کے دوران فوڈ اینڈ بیورج سیلز (علاوہ سیلز ٹیکس) 3,286 ملین روپے جو کہ 491 ملین روپے اضافے کے ساتھ گزشتہ سال کے 2,795 ملین روپے کے مد مقابل ہے جو 18% اضافہ ظاہر کرتا ہے۔

6- دیگر متعلقہ خدمات / شاپ لائنس / سفر اور ٹور ڈویژن:

ان شعبہ جات سے آمدن (علاوہ سیلز ٹیکس) زیر جائزہ مدت میں گزشتہ سال کے 285 ملین روپے کے مقابلے میں 305 ملین روپے ریکارڈ کیا گیا جو 7% اضافے کے ساتھ 20 ملین روپے زائد ہے۔

7- مجموعی نتائج:

خدمات اور فروخت کی مالیاتی معلومات کو یکجا کر کے دیکھا جائے تو نوماء کی مدت کے دوران 7,060 ملین روپے کی آمدن ہوئی جو گزشتہ سال اسی عرصہ کے دوران 5,933 ملین روپے تھی۔ گویا یہ 19% اضافہ کے ساتھ

1,127 ملین روپے زائد ہے۔ ٹیکس کٹوتی سے قبل کل منافع گزشتہ سال کے 946 ملین روپے کے مقابلے میں 2,062 ملین روپے ہے۔ جبکہ ٹیکس منہا کرنے کے بعد کل منافع 1,584 ملین روپے ہے جو گزشتہ سال اسی عرصہ میں 597 ملین روپے تھا۔

8- بورڈ آف ڈائریکٹرز اور مینجمنٹ میں تبدیلی:

زیر نظر جائزہ مدت کے دوران محترم محمد رفیق، ڈائریکٹر اور چیف فنانشل آفیسر، محترم بشیر احمد، ڈائریکٹر نے بورڈ سے استعفیٰ دیا اور ان کی جگہ محترم جوزف Kufer، اور سید حسیب امجد گریزی نے بطور ڈائریکٹرز بورڈ میں شمولیت اختیار کی۔ جبکہ محترم عبدالقدیر خان بطور چیف فنانشل آفیسر تعینات کیے گئے۔ محترم نہال احمد زیدی کو ہیڈ آف انٹرنل آڈٹ کے عہدہ پر ترقی دی گئی۔


9- خراج تحسین:

بورڈ تمام ملازمین، ماہرین اور مشاہرین کی کاوشوں کا ممنون ہے اور اس کے ساتھ کمپنی کی انتظامیہ پر مکمل بھروسہ اور تعاون کرنے پر تمام بینکرز، حصص یافتگان اور اسٹیک ہولڈرز کا شکر گزار ہے۔ اور بالخصوص اپنے مہمانوں کا شکر گزار ہے جو ہمیشہ ہمارے ہولڈر کی سرپرستی کرتے رہے ہیں۔ - و سلام۔

منجانب بورڈ آف ڈائریکٹرز



M.A. Bawany
Director
Islamabad: 30 April 2016



Shakir Abu Bakar
Director





PEARL CONTINENTAL LAHORE



CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

Condensed Interim Unconsolidated Balance Sheet

As at 31 March 2016

	Unaudited 31 March 2016	Audited 30 June 2015
Note	(Rupees'000)	
SHARE CAPITAL AND RESERVES		
Authorised share capital 50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid up share capital	325,242	325,242
Reserves	1,869,424	1,869,424
Unappropriated profit	6,501,847	5,290,960
	8,696,513	7,485,626
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	23,779,515	23,779,515
NON CURRENT LIABILITIES		
Long term financing - secured	4 2,187,800	685,128
Liabilities against assets subject to finance lease - secured	5 -	-
Deferred liabilities	670,634	645,072
	2,858,434	1,330,200
CURRENT LIABILITIES		
Trade and other payables	6 1,832,072	1,632,709
Markup accrued	34,712	38,253
Short term borrowings - secured	7 -	-
Provision for taxation - net	12,006	-
Current portion of long term financing and liabilities against assets subject to finance lease	516,987	74,392
	2,395,777	1,745,354
	37,730,239	34,340,695
CONTINGENCIES AND COMMITMENTS	8	

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

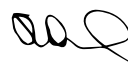
		Unaudited 31 March 2016	Audited 30 June 2015
	Note	(Rupees'000)	
NON CURRENT ASSETS			
Property, plant and equipment	9	29,592,003	28,897,404
Advance for capital expenditure	10	2,561,408	1,175,457
Investment property		45,000	45,000
Long term investments	11	943,354	328,360
Long term deposits and prepayments		23,902	18,864
		33,165,667	30,465,085
CURRENT ASSETS			
Stores, spare parts and loose tools		196,460	150,389
Stock in trade - food and beverages		102,795	90,715
Trade debts		678,572	510,208
Advances	12	132,485	580,723
Trade deposits and prepayments		92,159	63,883
Interest accrued		43,377	5,768
Other receivables		77,778	35,518
Other financial assets	13	1,398,850	1,082,204
Non current assets held for sale	14	586,403	586,403
Advance tax - net		-	4,229
Cash and bank balances		1,255,693	765,570
		4,564,572	3,875,610
		37,730,239	34,340,695

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the nine months period ended 31 March 2016

	Note	Three months ended 31 March		Nine months ended 31 March	
		2016	2015	2016	2015
		(Rupees'000)			
Sales and services - net	15	2,486,664	2,229,182	6,981,328	5,859,383
Cost of sales and services	16	(1,189,375)	(1,071,426)	(3,536,994)	(3,190,973)
Gross profit		1,297,289	1,157,756	3,444,334	2,668,410
Administrative expenses		(561,128)	(619,101)	(1,846,610)	(1,741,207)
Finance cost		(52,749)	(23,026)	(112,312)	(78,561)
Other income/ (loss) - net		239,903	(165,467)	517,901	96,318
Profit before taxation		923,315	350,162	2,003,313	944,960
Taxation		(262,609)	(205,259)	(472,825)	(340,834)
Profit for the period		660,706	144,903	1,530,488	604,126
Earnings per share - basic and diluted (Rupees)	17	20.31	4.46	47.06	18.57

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the nine months period ended 31 March 2016

	Three months ended 31 March		Nine months ended 31 March	
	2016	2015	2016	2015
	(Rupees'000)			
Profit for the period	660,706	144,903	1,530,488	604,126
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	660,706	144,903	1,530,488	604,126


The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the nine months period ended 31 March 2016

	Note	Nine months ended 31 March	
		2016	2015
(Rupees'000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	18	2,126,507	1,430,614
Working capital changes			
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(46,071)	(210)
Stock in trade - food and beverages		(12,080)	1,786
Trade debts		(182,764)	(95,753)
Advances		(51,762)	(25,914)
Trade deposits and prepayments		(28,276)	(23,583)
Other receivables		(4,053)	698
Increase / (decrease) in current liabilities			
Trade and other payables		29,098	(192,218)
Cash used in operations		(295,908)	(335,194)
Staff retirement benefit - gratuity paid		(22,026)	(46,989)
Compensated leave absences paid		(19,226)	(16,906)
Income tax paid		(449,994)	(331,915)
Finance cost paid		(131,654)	(131,856)
Net cash generated from operating activities		1,207,699	567,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(1,073,697)	(788,511)
Advance for capital expenditure		(1,385,951)	(41,369)
Proceeds from disposal of property, plant and equipment		33,130	2,014
Refund of advance against equity investment		-	6,000
Refund of short term advance		500,000	-
Advance against equity investment		(624,994)	-
Purchase of other financial assets		(9,522)	-
Proceeds from maturity of other financial assets		12,794	255,505
Dividend income received		18,394	438
Return on bank deposits		29,436	19,817
Long term deposits / prepayments		(5,038)	1,060
Net cash used in investing activities		(2,505,448)	(545,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		(50,000)	(175,000)
Dividend paid		(155,052)	-
Proceeds from long term financing		2,000,000	400,000
Repayment of liabilities against assets subject to finance lease		(7,405)	(6,549)
Net cash from financing activities		1,787,543	218,451
Net increase in cash and cash equivalents		489,794	241,159
Cash and cash equivalents at beginning of the period		765,570	161,550
Cash and cash equivalent transferred under scheme of merger		329	-
Cash and cash equivalents at end of the period	19	1,255,693	402,709

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

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

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M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited) For the nine months period ended 31 March 2016

Share capital	Capital reserve	Revenue reserves		Total equity
	Share premium	General reserve	Unappropriated profit	

(Rupees'000)

Balance at 01 July 2014	325,242	269,424	1,600,000	4,230,956	6,425,622
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Changes in equity for the period ended 31 March 2015

Total comprehensive income for the period

Profit for the period	-	-	-	604,126	604,126
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	604,126	604,126

Balance at 31 March 2015

	325,242	269,424	1,600,000	4,835,082	7,029,748
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Balance at 01 July 2015

	325,242	269,424	1,600,000	5,290,960	7,485,626
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Changes in equity for the period ended 31 March 2016

Total comprehensive income for the period

Profit for the period	-	-	-	1,530,488	1,530,488
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,530,488	1,530,488

Final cash dividend for the year ended 30 June 2015 declared subsequent to the year end (@ Rs. 5 per share)

	-	-	-	(162,621)	(162,621)
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First interim cash dividend for the year 2015-16 (@ Rs. 5 per share)

	-	-	-	(162,621)	(162,621)
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Amount recognized pursuant to scheme of merger (Note 1.1.1)

	-	-	-	5,641	5,641
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Balance at 31 March 2016

	325,242	269,424	1,600,000	6,501,847	8,696,513
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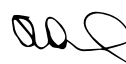
The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

1 STATUS AND NATURE OF BUSINESS

Pakistan Services Limited ("the Company") was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance 1984) as a public limited company and is quoted on Pakistan Stock Exchange Limited. The Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, Peshawar and Muzaffarabad Azad Jammu & Kashmir. The Company also owns one small sized property in Lahore operating under the budget hotel concept. The Company also grants franchise to use its trade mark and name "Pearl Continental".

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

1.1 Merger of Bhurban Resorts (Private) Limited with the Company

M/s Bhurban Resorts (Private) Limited was a subsidiary of the Company by virtue of its 100% shareholding as at 30 June 2015. The members of Bhurban Resorts (Private) Limited and the Pakistan Services Limited have approved the merger of Bhurban Resorts (Private) Limited into Pakistan Services Limited vide their special resolution passed at their joint Extra Ordinary General Meeting held on 03 August 2015. The Scheme of merger was sanctioned by the Honourable High Court of Islamabad and submitted to the registrar on 15 February 2016 ("Effective Date").

The Scheme envisages the merger by way of deemed transfer of all assets and liabilities of Bhurban Resorts (Private) Limited to the Company at their respective book values, as disclosed in the financial statements of Bhurban Resorts (Private) Limited as of the Effective Date.

The merger and the transfer to and vesting of Bhurban Resorts (Private) Limited in the Company is deemed to have been so transferred and vested in the Company under this scheme from the Effective Date and consequently, the financial results of Bhurban Resorts (Private) Limited have been amalgamated with the Company from 15 February 2016. The assets and liabilities and items of profit and loss of Bhurban Resorts (Private) Limited have been included in these condensed interim unconsolidated financial information from 15 February 2016 and therefore the comparative figures of condensed interim unconsolidated balance sheet, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity relates to the Company only.

As the Bhurban Resorts (Private) Limited is non-operational, its effect on profit & loss account of the Company is immaterial.

- 1.1.1 Detail of the assets and liabilities transferred by Bhurban Resorts (Private) Limited and used for merger, on the basis of their respective book values on the Effective Date are presented below:

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

	Unaudited 15 February 2016 (Rupees'000)
Non current assets	-
Current assets	15,823
Total assets	15,823
Non current liabilities	-
Current liabilities	182
Total liabilities	182
Net assets	15,641
Amount recorded in retained earnings is made up as follows:	
Net assets of Bhurban Resorts (Private) Limited as at 15 February 2016	15,641
Cost of investment in Bhurban Resorts (Private) Limited	(10,000)
Amount recognised in retained earning	5,641

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim unconsolidated financial information do not include the information that reported for annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2015. Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2015, whereas comparative unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information for the nine months period ended 31 March 2015.

This condensed interim unconsolidated financial information is unaudited and being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim unconsolidated financial information and financial risk management policy are the same as those applied

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

in preparation of annual audited unconsolidated financial statements for the year ended 30 June 2015 except that IFRS 13 'Fair Value Measurement' became effective for financial periods beginning on or after 01 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in notes 3.3 and 21 to this condensed interim unconsolidated financial information.

3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim unconsolidated financial information of the Company:

- Amendments to IAS 38 'Intangible Assets'	(effective 01 January 2016)
- Amendments to IAS 16 'Property, Plant and Equipment'	(effective 01 January 2016)
- Amendments to IFRS 10 'Consolidated Financial Statements'	(effective 01 January 2016)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2016)
- Amendments to IFRS 11 'Joint Arrangements'	(effective 01 January 2016)
- Amendment to IAS 27 'Separate Financial Statement'	(effective 01 January 2016)
- Amendment to IAS 41 'Agriculture'	(effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014, Most of amendments will apply prospectively for annual period beginning on or after 01 January 2016:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

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

3.3 IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial information of the Company, except certain additional disclosures.

		Unaudited 31 March 2016	Audited 30 June 2015
	Note	(Rupees'000)	
4 LONG TERM FINANCING - secured			
From banking companies			
Term finance loan		916,667	116,667
Syndicated term loan		1,787,800	635,128
	4.1	2,704,476	751,795
Current portion		(516,667)	(66,667)
		2,187,800	685,128

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

- 4.1 The markup rates, facility limits and securities offered for these 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 2015 except the following:

During the period, the Company availed fresh term finance facilities of Rs. 350 million (30 June 2015: Nil) and Rs. 500 million (30 June 2015: Nil). These facilities are secured by way of first pari passu equitable mortgage charge on land and building of Pearl Continental Hotel, Rawalpindi.

5 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE- secured

The markup rate, facility limit and securities offered for this lease finance arrangement are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2015.

6 TRADE AND OTHER PAYABLES	Note	Unaudited	Audited
		31 March 2016	30 June 2015
		(Rupees'000)	
Creditors		342,195	399,313
Accrued liabilities		556,683	503,639
Advances from customers		275,043	236,779
Shop deposits		53,845	54,339
Due to related parties - unsecured		12,314	4,987
Sales tax		86,919	116,422
Bed tax		62,367	60,359
Unearned income		132,017	129,049
Unclaimed dividend	6.1	11,103	3,534
Dividend payable	6.2	162,621	-
Retention money		87,374	82,577
Others		49,591	41,711
		1,832,072	1,632,709

6.1 It includes an amount of Rs. 0.043 million of related parties.

6.2 It includes an amount of Rs. 34.919 million of related parties.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

7 SHORT TERM BORROWINGS - secured

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2015 except settlement of Running Finance facility of Rs. 350 million during the period.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Contingencies are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2015 except for the commitments and guarantees as disclosed below:

	Unaudited 31 March 2016	Audited 30 June 2015
	(Rupees'000)	
8.1.1 Guarantees - secured	188,805	188,173

This includes guarantee of Rs. 50 million (30 June 2015: Rs. 50 million), issued on behalf of a subsidiary company.

8.2 Commitments

	Unaudited 31 March 2016	Audited 30 June 2015
	(Rupees'000)	
Commitments for capital expenditure	529,566	819,189

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

9 PROPERTY, PLANT AND EQUIPMENT

Carrying value at beginning of the period
Additions during the period
Transfer from capital work in progress
Disposal during the period
Depreciation charge for the period
Carrying value at end of the period

	Owned assets	Leased assets	Capital work in progress	Total
Unaudited 31 March 2016 - (Rupees in '000)				
	27,841,967	21,144	1,034,293	28,897,404
	581,094	-	511,073	1,092,167
	360,079	-	(360,079)	-
	(28,141)	-	-	(28,141)
	(367,164)	(2,263)	-	(369,427)
	28,387,835	18,881	1,185,287	29,592,003

Audited 30 June 2015 - (Rupees in '000)

Carrying value at beginning of the year
Additions during the year
Transfer from capital work in progress
Surplus on revaluation
Disposal during the year
Depreciation charge for the year
Carrying value at end of the year

	23,660,402	24,589	643,764	24,328,755
	224,039	-	842,756	1,066,795
	452,227	-	(452,227)	-
	3,925,950	-	-	3,925,950
	(6,346)	-	-	(6,346)
	(414,305)	(3,445)	-	(417,750)
	<u>27,841,967</u>	<u>21,144</u>	<u>1,034,293</u>	<u>28,897,404</u>

Unaudited
31 March
2016 Audited
30 June
2015

10 ADVANCE FOR CAPITAL EXPENDITURE

Purchase of land
Purchase of apartment
Malir Delta Land
Advance for purchase of fixed assets

Note **(Rupees'000)**

	666,820	666,820
	40,509	40,509
10.1	381,656	381,656
10.2	1,472,423	86,472
	2,561,408	<u>1,175,457</u>

10.1 This represents amount paid for purchase of 113.34 acres of land and fee for regularization of land as per the value assessed by the Land Regularization Committee established by the Government of Sindh under the Sindh Ordinance, 2001. The Honourable High Court of Sindh at Karachi dismissed the Constitution Petition filed by the Company challenging the impugned order of the Accountability Court Karachi declaring that any transfer of title or creation of any third party interest in the said land was declared void. The Company being aggrieved and dissatisfied with this impugned judgment for dismissal of its Constitution Petition has filed a Civil petition for leave to Appeal (CPLA) in the Honourable

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

Supreme Court of Pakistan which is pending. Though the management is hopeful for favourable outcome of this matter, in the eventuality of an adverse outcome, the management, on the basis of legal opinion, believes that the Company will seek recovery of purchase consideration and land regularization fee paid to the seller and Land Regularization Department respectively.

- 10.2 It includes amount of Rs. 1,385 million paid as advance for purchase of property from an associated company.

11 LONG TERM INVESTMENTS

This includes advance amount of Rs. 624.930 million against equity towards 62,493,044 numbers of ordinary shares of Rs. 10/- each (30 June 2015 : Rs. Nil) and Rs. 0.064 million towards 6,444 numbers of ordinary shares of Rs. 10/- each (30 June 2015 : Rs. Nil) given to wholly owned subsidiary companies M/s City Properties (Pvt.) Limited and M/s Elite Properties (Pvt.) Limited, respectively.

12 ADVANCES

The short term advance of Rs. 500 million (30 June 2015: Rs. 500 million) extended to an associated company has been received during the period.

13 OTHER FINANCIAL ASSETS

This mainly includes investment in an associated company having carrying value of Rs. 1,381 million (30 June 2015 : Rs. 1,071 million).

14 NON CURRENT ASSETS HELD FOR SALE

This represents 98,000 shares in Hashoo Group Limited - British Virgin Island. The Company has agreed to sell these shares for a total consideration of USD 5.99 million.

15 SALES AND SERVICES - net

	Unaudited		Unaudited	
	Three months ended 31 March 2016	2015	Nine months ended 31 March 2016	2015
	(Rupees'000)			
Rooms	1,422,814	1,260,261	3,949,006	3,234,418
Food and beverages	1,380,970	1,233,469	3,877,395	3,295,718
Other related services	130,922	123,204	386,622	363,626
Shop license fees	8,273	6,489	24,686	19,572
	2,942,979	2,623,423	8,237,709	6,913,334
Discounts and commissions	(38,275)	(30,101)	(109,458)	(92,260)
Sales tax	(418,040)	(364,140)	(1,146,923)	(961,691)
	2,486,664	2,229,182	6,981,328	5,859,383

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

16 COST OF SALES AND SERVICES	Unaudited		Unaudited	
	Three months ended 31 March 2016	2015	Nine months ended 31 March 2016	2015
	(Rupees'000)			
Food and beverages				
Opening balance	79,016	88,860	90,715	87,021
Purchases during the period	435,000	363,138	1,196,211	997,022
Closing balance	(102,795)	(85,235)	(102,795)	(85,235)
Consumption during the period	411,221	366,763	1,184,131	998,808
Direct expenses				
Salaries, wages and benefits	302,984	266,947	869,825	773,990
Heat, light and power	142,216	143,013	521,362	566,858
Repairs and maintenance	74,178	61,298	209,002	179,623
Depreciation	117,380	93,649	332,484	279,346
Guest supplies	57,222	46,581	163,883	133,961
Linen, china and glassware	22,472	30,051	78,018	84,625
Communication and other related services	18,581	16,779	53,043	52,297
Banquet and decoration	17,489	19,242	51,289	47,658
Transportation	12,652	12,069	37,116	32,570
Uniforms	7,047	6,924	19,285	19,259
Music and entertainment	2,888	3,786	8,805	9,962
Others	3,045	4,324	8,751	12,016
	1,189,375	1,071,426	3,536,994	3,190,973
17 EARNINGS PER SHARE				
Profit for the period (Rupees '000)	660,706	144,903	1,530,488	604,126
Weighted average number of ordinary shares (Numbers)	32,524,170	32,524,170	32,524,170	32,524,170
Earnings per share - basic (Rupees)	20.31	4.46	47.06	18.57

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

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

	Unaudited	
	Nine months ended	
	31 March	
	2016	2015
	(Rupees'000)	
18 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	2,003,313	944,960
Adjustments for:		
Depreciation	369,427	310,384
Gain on disposal of property, plant and equipment	(4,989)	(1,730)
Provision for staff retirement benefit - gratuity	41,244	71,023
Provision for compensated leave absences	18,869	19,516
Provision for doubtful debts	14,400	32,407
Return on bank deposits	(28,784)	(19,151)
Interest on short term advance to related party	(38,060)	(50,408)
Finance cost	112,312	78,561
Dividend income	(54,101)	(48,048)
Unrealised (gain)/ loss on remeasurement of investments to fair value - net	(307,124)	93,100
	<u>2,126,507</u>	<u>1,430,614</u>
19 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>1,255,693</u>	<u>402,709</u>
20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

The related parties comprise associated and subsidiary companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and Provident Fund. Transactions and balances as of this reporting date with related parties are disclosed in notes 6, 8.1.1, 12, 13 and 14 to the condensed interim unconsolidated financial information. Other balances and transactions with related parties are as follows:

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

	Unaudited	
	Nine months ended	
	31 March	
	2016	2015
	(Rupees'000)	
Transactions and balances with subsidiary companies		
Sales	828	1,098
Services provided	5,668	2,821
Services availed	46,861	39,685
Advance against equity converted into investment	-	49,000
Refund of advance against equity investment	-	6,000
Investments	624,994	-
Balances as at the period end:		
- Trade debts	3,847	*2,431
- Other receivable	2,500	-
- Long term investments	732,221	* 117,227
Transactions and balances with associated undertakings		
Sales	656	1,648
Services provided	1,141	1,585
Services availed	23,519	20,605
Purchases	60,478	39,868
Purchase of air tickets	26,735	14,255
Franchise fee - income	2,533	1,759
Franchise and management fee - expense	8,892	7,490
Contribution to defined contribution plan - provident fund	24,643	21,177
Dividend income	53,562	47,610
Interest income on advance	38,060	50,408
Sale of property, plant and equipment	763	-
Dividend paid	27,902	-
Advance given for purchase of property	1,385,410	-
Balances as at the period end:		
- Trade debts	5,960	* 7,256
- Long term investment	211,133	* 211,133
- Accrued interest on advance	42,782	* 4,723
- Advance for capital expenditure	1,385,410	-
Transactions and balances with other related parties		
Sales	13	94
Services provided	368	334
Services availed	47,231	43,333
Purchases	31,360	32,093
Purchase of property, plant and equipment	205,623	-
Donation	-	20,000
Dividend paid	7	-
Advance given for purchase of fixed assets	3,500	-
Balances as at the period end:		
- Trade debts	21,529	* 11,328
- Advance for capital expenditure	630,320	* 626,820
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	38,484	53,120
Dividend paid	2,885	-
Personal guarantees to Banks against the Company's borrowings (Notes 4 and 5)	-	-

*Represents balance as at 30 June 2015.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

21.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments 31 March 2016	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
(Rupees'000)							
Financial assets measured at fair value							
Other financial assets		1,398,850	-	-	1,398,850	1,398,850	1,398,850
Financial assets not measured at fair value	21.2						
Cash and bank balances		-	1,255,693	-	1,255,693	-	-
Other receivables		-	77,778	-	77,778	-	-
Interest accrued		-	43,377	-	43,377	-	-
Trade deposits		-	16,700	-	16,700	-	-
Trade debts - considered good		-	678,572	-	678,572	-	-
Long term deposits		-	21,657	-	21,657	-	-
Advance to employees		-	44,140	-	44,140	-	-
		-	2,137,917	-	2,137,917	-	-

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the nine months period ended 31 March 2016

Note	Carrying amount			Fair value		
	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
Financial liabilities not measured at fair value						
21.2	-	-	-	-	-	-
21.3	-	2,187,800	-	2,187,800	-	-
	-	1,259,021	-	1,259,021	-	-
	-	34,712	-	34,712	-	-
	-	-	-	-	-	-
	-	516,987	-	516,987	-	-
	-	3,998,520	-	3,998,520	-	-
Financial assets measured at fair value						
	1,082,204	-	-	1,082,204	1,082,204	1,082,204
Financial assets not measured at fair value						
21.2	-	765,570	-	765,570	-	-
	-	35,518	-	35,518	-	-
	-	5,768	-	5,768	-	-
	-	16,808	-	16,808	-	-
	-	510,208	-	510,208	-	-
	-	14,757	-	14,757	-	-
	-	500,000	-	500,000	-	-
	-	2,910	-	2,910	-	-
	-	1,851,539	-	1,851,539	-	-
Financial liabilities not measured at fair value						
21.2	-	685,128	-	685,128	-	-
21.3	-	1,082,258	-	1,082,258	-	-
	-	38,253	-	38,253	-	-
	-	-	-	-	-	-
	-	74,392	-	74,392	-	-
	-	1,880,031	-	1,880,031	-	-

- 21.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.
- 21.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable, banquet/ beverage tax, unearned income and income tax deducted at source.

22 DATE OF APPROVAL

This unaudited condensed interim unconsolidated financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 30 April 2016.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim unconsolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director



PEARL CONTINENTAL MUZAFFARABAD



CONDENSED INTERIM
CONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

Condensed Interim Consolidated Balance Sheet As at 31 March 2016

	Unaudited 31 March 2016	Audited 30 June 2015
Note	(Rupees'000)	
SHARE CAPITAL AND RESERVES		
Authorised share capital 50,000,000 (30 June 2015: 50,000,000) ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid up share capital	325,242	325,242
Reserves	2,612,261	2,664,194
Unappropriated profit	5,862,556	4,603,638
	8,800,059	7,593,074
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	23,779,515	23,779,515
NON CURRENT LIABILITIES		
Long term financing - secured	4 2,187,800	685,128
Liabilities against assets subject to finance lease - secured	5 8,986	19,009
Deferred liabilities	651,665	620,489
	2,848,451	1,324,626
CURRENT LIABILITIES		
Trade and other payables	6 1,851,668	1,649,219
Markup accrued	34,930	38,669
Short term borrowings - secured	7 -	-
Current portion of long term financing and liabilities against assets subject to finance lease	530,751	89,338
	2,417,349	1,777,226
	37,845,374	34,474,441
CONTINGENCIES AND COMMITMENTS	8	

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

		Unaudited 31 March 2016	Audited 30 June 2015
	Note	(Rupees'000)	
NON CURRENT ASSETS			
Property, plant and equipment	9	29,708,818	29,022,076
Advance for capital expenditure	10	2,561,408	1,175,457
Investment property		45,000	45,000
Long term investments		1,595,378	1,280,225
Long term deposits and prepayments		26,396	24,027
		33,937,000	31,546,785
CURRENT ASSETS			
Stores, spare parts and loose tools		196,460	150,389
Stock in trade - food and beverages		102,795	90,715
Development property	11	532,901	-
Trade debts		706,391	539,518
Advances	12	201,328	583,668
Trade deposits and prepayments		97,443	66,431
Interest accrued		43,447	5,982
Other receivables		76,041	35,673
Other financial assets	13	27,240	32,179
Non current assets held for sale	14	607,985	607,985
Advance tax - net		26,213	34,720
Cash and bank balances		1,290,130	780,396
		3,908,374	2,927,656
		37,845,374	34,474,441

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shaker Abu Bakar
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the nine months period ended 31 March 2016

	Note	Three months ended 31 March		Nine months ended 31 March	
		2016	2015	2016	2015
		(Rupees'000)			
Sales and services - net	15	2,513,866	2,255,955	7,059,941	5,933,239
Cost of sales and services	16	(1,215,603)	(1,096,775)	(3,615,171)	(3,265,828)
Gross profit		1,298,263	1,159,180	3,444,770	2,667,411
Administrative expenses		(569,998)	(617,872)	(1,857,850)	(1,740,993)
Finance cost		(53,237)	(23,993)	(114,418)	(80,870)
Other income/ (loss) - net		289,778	(163,078)	531,515	36,518
		964,806	354,237	2,004,017	882,066
Share of gain in equity accounted investments		13,007	24,905	58,185	63,610
Profit before taxation		977,813	379,142	2,062,202	945,676
Taxation		(282,372)	(188,638)	(478,042)	(348,681)
Profit for the period		695,441	190,504	1,584,160	596,995

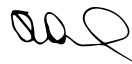
The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.

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

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M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the nine months period ended 31 March 2016

	Three months ended 31 March		Nine months ended 31 March	
	2016	2015	2016	2015
	(Rupees'000)			
Profit for the period	695,441	190,504	1,584,160	596,995
Other comprehensive income for the period				
Items to be reclassified to profit and loss account in subsequent periods				
Exchange gain on translation of long term investments in equity accounted investees	3,698	937	6,833	2,811
(Deficit)/ surplus on remeasurement of available for sale securities	(48,255)	(22,591)	(56,716)	1,587
Deferred tax on other comprehensive income	(1,109)	(328)	(2,050)	(984)
Other comprehensive income for the period	(45,666)	(21,982)	(51,933)	3,414
Total comprehensive income for the period	649,775	168,522	1,532,227	600,409

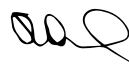
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Statement under section 241(2) of the Companies Ordinance, 1984

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M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2016

	Note	Nine months ended 31 March	
		2016	2015
(Rupees'000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from operating activities before working capital changes	17	2,130,852	1,444,193
Working capital changes			
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(46,071)	(210)
Stock in trade - food and beverages		(12,080)	1,786
Development property		(532,901)	-
Trade debts		(181,273)	(97,107)
Advances		(117,660)	(27,219)
Trade deposits and prepayments		(31,012)	(23,962)
Other receivables		(4,661)	(402)
Increase/ (decrease) in current liabilities			
Trade and other payables		32,259	(204,631)
Cash used in operations		(893,399)	(351,745)
Staff retirement benefit - gratuity paid		(22,026)	(46,989)
Compensated leave absences paid		(19,226)	(16,906)
Income tax paid		(459,272)	(335,696)
Finance cost paid		(133,958)	(133,920)
Net cash generated from operating activities		602,971	558,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(1,086,593)	(788,915)
Advance for capital expenditure		(1,385,951)	(41,369)
Proceeds from disposal of property, plant and equipment		53,638	9,160
Proceeds from disposal of non current assets held for sale		-	7,000
Refund of short term advance		500,000	-
Purchase of other financial assets		(10,196)	(189)
Proceeds from maturity of other financial assets		12,794	255,505
Dividend income		18,394	438
Return on bank deposits and term deposits receipts		30,708	21,622
Long term deposits / prepayments		(2,369)	(1,434)
Net cash used in investing activities		(1,869,575)	(538,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(50,000)	(175,000)
Dividend paid		(155,052)	-
Proceeds from long term financing		2,000,000	400,000
Repayment of liabilities against assets subject to finance lease		(18,610)	(12,826)
Net cash from financing activities		1,776,338	212,174
Net increase in cash and cash equivalents		509,734	232,929
Cash and cash equivalents at beginning of the period		780,396	188,904
Cash and cash equivalents at end of the period	18	1,290,130	421,833

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the nine months period ended 31 March 2016

Share capital	Capital reserve		Revenue reserves			Unappropriated profit	Total equity	
	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Surplus on remeasurement of available for sale securities			
(Rupees '000)								
Balance at 01 July 2014	325,242	269,424	147,221	1,600,000	457,794	143,065	3,632,865	6,575,611
Changes in equity for the period ended 31 March 2015								
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	596,995	596,995
Other comprehensive income for the period	-	-	-	-	1,827	1,587	-	3,414
Total comprehensive income for the period	-	-	-	-	1,827	1,587	596,995	600,409
Balance at 31 March 2015	325,242	269,424	147,221	1,600,000	459,621	144,652	4,229,860	7,176,020
Balance at 01 July 2015	325,242	269,424	147,221	1,600,000	462,184	185,365	4,603,638	7,593,074
Changes in equity for the period ended 31 March 2016								
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	1,584,160	1,584,160
Other comprehensive income for the period	-	-	-	-	4,783	(56,716)	-	(51,933)
Total comprehensive income for the period	-	-	-	-	4,783	(56,716)	1,584,160	1,532,227
Final cash dividend for the year ended 30 June 2015 declared subsequent to the year end (@ Rs. 5 per share)	-	-	-	-	-	-	(162,621)	(162,621)
First interim cash dividend for the year 2015-16 (@ Rs. 5 per share)	-	-	-	-	-	-	(162,621)	(162,621)
Balance at 31 March 2016	325,242	269,424	147,221	1,600,000	466,967	128,649	5,862,556	8,800,059


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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

1 THE GROUP AND ITS OPERATIONS

Pakistan Services Limited ("the Parent Company") was incorporated on 06 December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance 1984) as a public limited company and is quoted on Pakistan Stock Exchange Limited. The Parent Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Parent Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, Peshawar and Muzaffarabad Azad Jammu & Kashmir. The Parent Company also owns one small sized property in Lahore operating under the budget hotel concept. The Parent Company also grants franchise to use its trade mark and name " Pearl Continental".

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

- 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":

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

Consequent to the approval of Honourable High Court of Islamabad, effective 15 February 2016 M/s Bhurban Resorts (Private) Limited has been merged into the Parent Company and necessary accounting adjustments have been incorporated in this financial information.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim consolidated financial information do not include the information that reported for 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 2015. Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements for the year ended 30 June 2015, 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 2015.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

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

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy are the same as those applied in preparation of annual audited consolidated financial statements for the year ended 30 June 2015 except that IFRS 13 'Fair Value Measurement' became effective for financial periods beginning on or after 01 January 2015. The effect of IFRS 13 'Fair Value Measurement' are disclosed in notes 3.3 and 20 to this condensed interim consolidated financial information.

3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016 and are not expected to have any significant effect on condensed interim Consolidated financial information of the Group:

- Amendments to IAS 38 'Intangible Assets'	(effective 01 January 2016)
- Amendments to IAS 16 'Property, Plant and Equipment'	(effective 01 January 2016)
- Amendments to IFRS 10 'Consolidated Financial Statements'	(effective 01 January 2016)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2016)
- Amendments to IFRS 11 'Joint Arrangements'	(effective 01 January 2016)
- Amendment to IAS 27 'Separate Financial Statement'	(effective 01 January 2016)
- Amendment to IAS 41 'Agriculture'	(effective 01 January 2016)

Amendments to following standards as annual improvements cycle of 2012-2014, Most of amendments will apply prospectively for annual period beginning on or after 01 January 2016:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7 'Financial Instruments- Disclosures'
- IAS 19 'Employee Benefits'
- IAS 34 'Interim Financial Reporting'

The above amendments are not likely to have an impact on the Parent Company's financial information.

3.3 IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial information of the Group, except certain additional disclosures.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

4 LONG TERM FINANCING - secured	Note	Unaudited 31 March 2016	Audited 30 June 2015
(Rupees'000)			
From banking companies			
Term finance loan		916,667	116,667
Syndicated term loan		1,787,800	635,128
	4.1	2,704,467	751,795
Current portion		(516,667)	(66,667)
		2,187,800	685,128

- 4.1 The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Parent Company for the year ended 30 June 2015 except the following:

During the period, the Parent Company availed fresh term finance facilities of Rs. 350 million (30 June 2015: Nil) and Rs. 500 million (30 June 2015: Nil). These facilities are secured by way of first pari passu equitable mortgage charge on land and building of Pearl Continental Hotel, Rawalpindi.

5 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - secured	Note	Unaudited 31 March 2016	Audited 30 June 2015
(Rupees'000)			
Present value of minimum lease payments			
Balance at beginning of the period/ year		41,680	37,279
Additions during the period/ year		-	24,941
Repayments made during the period/ year		(18,610)	(20,540)
		23,070	41,680
Current portion		(14,084)	(22,671)
		8,986	19,009

- 5.1 The markup rates, facility limits and securities offered for these lease finance arrangements are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 June 2015.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

		Unaudited 31 March 2016	Audited 30 June 2015
		(Rupees'000)	
6	TRADE AND OTHER PAYABLES	Note	
	Creditors		405,876
	Accrued liabilities		509,974
	Advances from customers		236,846
	Shop deposits		54,339
	Due to related parties - unsecured		7,340
	Sales tax		116,422
	Bed tax		60,359
	Unearned income		129,049
	Unclaimed dividend	6.1	3,534
	Dividend payable	6.2	-
	Retention money		82,577
	Others		42,903
			<u>1,851,668</u>
			<u>1,649,219</u>

6.1 It includes an amount of Rs. 0.043 million of related parties.

6.2 It includes an amount of Rs. 34.919 million of related parties.

7 SHORT TERM BORROWINGS - secured

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 June 2015 except settlement of Running Finance facility of Rs. 350 million during the period.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Contingencies are the same as disclosed in the audited consolidated annual financial statements of the Group for the year ended 30 June 2015, except for the guarantees and commitments as disclosed below:

		Unaudited 31 March 2016	Audited 30 June 2015
		(Rupees'000)	
8.1.1	Guarantees	<u>188,805</u>	<u>188,174</u>
8.2	Commitments		
	Commitments for capital expenditure	<u>721,066</u>	<u>819,189</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

9 PROPERTY, PLANT AND EQUIPMENT

	Owned assets	Leased assets	Capital work in progress	Total
Unaudited 31 March 2016 - (Rupees in '000)				
Carrying value at beginning of the period	27,924,553	63,230	1,034,293	29,022,076
Additions during the period	593,995	-	511,073	1,105,068
Transfer from capital work in progress	360,079	-	(360,079)	-
Disposal during the period	(34,422)	-	-	(34,422)
Depreciation charge for the period	(376,906)	(6,998)	-	(383,904)
Carrying value at end of the period	<u>28,467,299</u>	<u>56,232</u>	<u>1,185,287</u>	<u>29,708,818</u>

	Audited 30 June 2015 - (Rupees '000)			
Carrying value at beginning of the year	23,757,380	46,911	643,764	24,448,055
Additions during the year	226,678	24,941	842,756	1,094,375
Transfer from capital work in progress	452,227	-	(452,227)	-
Surplus on revaluation	3,925,950	-	-	3,925,950
Disposal during the year	(8,843)	-	-	(8,843)
Depreciation charge for the year	(428,839)	(8,622)	-	(437,461)
Carrying value at end of the year	<u>27,924,553</u>	<u>63,230</u>	<u>1,034,293</u>	<u>29,022,076</u>

	Unaudited	Audited
	31March	30 June
	2016	2015
Note	(Rupees'000)	

10 ADVANCE FOR CAPITAL EXPENDITURE

Purchase of land		666,820	666,820
Purchase of apartment		40,509	40,509
Malir Delta Land	10.1	381,656	381,656
Advance for purchase of fixed assets	10.2	1,472,423	86,472
		<u>2,561,408</u>	<u>1,175,457</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

- 10.1 This represents amount paid for purchase of 113.34 acres of land and fee for regularization of land as per the value assessed by the Land Regularization Committee established by the Government of Sindh under the Sindh Ordinance, 2001. The Honourable High Court of Sindh at Karachi dismissed the Constitution Petition filed by the Parent Company challenging the impugned order of the Accountability Court Karachi declaring that any transfer of title or creation of any third party interest in the said land was declared void. The Parent Company being aggrieved and dissatisfied with this impugned judgment for dismissal of its Constitution Petition has filed a Civil petition for leave to Appeal (CPLA) in the Honourable Supreme Court of Pakistan which is pending. Though the management is hopeful for favourable outcome of this matter, in the eventuality of an adverse outcome, the management, on the basis of legal opinion, believes that the Parent Company will seek recovery of purchase consideration and land regularization fee paid to the seller and Land Regularization Department respectively.
- 10.2 It includes amount of Rs. 1,385 million paid as advance for purchase of property from an associated company.

11 DEVELOPMENT PROPERTY

During the period the Group acquired a development property of Rs. 532.901 million (30 June 2015: Nil).

12 ADVANCES

The short term advance of Rs. 500 million (30 June 2015 : Rs. 500 million) extended to an associated company has been received during the period.

Unaudited	Audited
31 March	30 June
2016	2015
(Rupees'000)	

13 OTHER FINANCIAL ASSETS

Investment in :

- Shares of listed companies
- Certificate of Musharika / Term Deposit Receipts

8,638	10,979
18,602	21,200
27,240	32,179

14 NON CURRENT ASSETS HELD FOR SALE

This represents 98,000 shares in Hashoo Group Limited - British Virgin Island. The Parent Company has agreed to sell these shares for a total consideration of USD 5.99 million.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

	Unaudited		Unaudited	
	Three months ended		Nine months ended	
	31 March		31 March	
	2016	2015	2016	2015
15 SALES AND SERVICES - net	(Rupees'000)			
Rooms	1,419,829	1,259,406	3,943,338	3,231,597
Food and beverages	1,380,758	1,233,105	3,876,567	3,294,620
Other related services	137,948	124,098	399,114	367,755
Vehicles rental	33,462	32,215	98,224	86,630
Shop license fees	8,273	6,489	24,686	19,572
	2,980,270	2,655,313	8,341,929	7,000,174
Discounts and commissions	(38,275)	(30,101)	(109,458)	(92,260)
Sales tax	(428,129)	(369,257)	(1,172,530)	(974,675)
	2,513,866	2,255,955	7,059,941	5,933,239
16 COST OF SALES AND SERVICES				
Food and beverages				
Opening balance	79,016	88,860	90,715	87,021
Purchases during the period	435,616	362,774	1,196,211	995,924
Closing balance	(102,795)	(85,235)	(102,795)	(85,235)
Consumption during the period	411,837	366,399	1,184,131	997,710
Direct expenses				
Salaries, wages and benefits	315,271	278,617	905,781	807,081
Heat, light and power	142,216	143,013	521,362	566,858
Repairs and maintenance	74,636	61,928	210,354	181,298
Depreciation	121,845	98,312	345,536	292,255
Guest supplies	57,222	46,581	163,883	133,961
Linen, china and glassware	22,472	30,051	78,018	84,625
Communication and other related services	18,581	16,779	53,043	52,297
Banquet and decoration	17,489	19,241	51,289	47,657
Transportation	4,115	3,551	14,558	12,728
Uniforms	7,047	6,924	19,285	19,259
Music and entertainment	2,888	3,786	8,805	9,962
Insurance	1,220	1,269	3,778	3,865
Vehicle operating expense	8,239	9,717	25,547	28,732
Vehicle rental and registration charges	6,744	5,552	18,927	14,617
Others	3,781	5,055	10,874	12,923
	1,215,603	1,096,775	3,615,171	3,265,828

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

	Unaudited	
	Nine months ended 31 March	
17 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	2016	2015
	(Rupees'000)	
Profit before taxation	2,062,202	945,676
Adjustments for:		
Depreciation	383,904	324,728
Gain on disposal of property, plant and equipment	(19,216)	(6,378)
Provision for staff retirement benefit - gratuity	41,244	71,023
Provision for compensated leave absences	18,869	19,516
Provision for doubtful debts	14,400	32,407
Return on bank deposits/ Treasury bills/ Certificate of Musharika	(30,113)	(21,468)
Interest income on short term advance to related party	(38,060)	(50,408)
Share of profit in equity accounted investments	(58,185)	(63,610)
Finance cost	114,418	80,870
Dividend income	(539)	(438)
Loss on remeasurement of investments to fair value - net	2,341	1,451
Impairment on long term investment recorded during the period	-	110,824
Reversal of impairment on investment in associated companies	(360,413)	-
	<u>2,130,852</u>	<u>1,444,193</u>
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>1,290,130</u>	<u>421,833</u>
19 TRANSACTIONS 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. Transactions and balances as of this reporting date with related parties are disclosed in note 6, 12 and 14 to the condensed interim consolidated financial information. Other balances and transactions with related parties are as follows:

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

	Unaudited	
	Nine months ended 31 March	
	2016	2015
	(Rupees'000)	
Transactions and balances with associated undertakings		
Sales	656	1,648
Services provided	12,863	8,828
Services availed	26,470	21,660
Purchases	62,191	40,834
Purchase of air tickets	26,735	14,255
Franchise fee - income	2,533	1,759
Franchise and management fee - expense	8,892	7,490
Contribution to the defined contribution plan	24,643	21,177
Dividend income	53,562	47,610
Interest income on advance	38,060	50,408
Sale of property, plant and equipment	763	-
Dividend paid	27,902	-
Advance given for purchase of property	1,385,410	-
Balances as at the period end:		
- Trade debts	15,567	*17,033
- Long term investments	1,595,378	*1,280,225
- Accrued interest on advance	42,782	*4,723
- Advance for capital expenditure	1,385,410	-
Transactions and balances with other related parties		
Sales	13	94
Services provided	368	334
Services availed	47,231	43,339
Purchases	31,360	32,093
Purchase of property, plant and equipment	205,623	-
Donation	-	20,000
Dividend paid	7	-
Advance given for purchase of fixed asset	3,500	-
Balances as at the period end:		
- Trade debts	21,566	*11,385
- Advance for capital expenditure	630,320	*626,820
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	38,484	53,120
Dividend paid	2,885	-
Personal guarantees to Banks against the group's borrowings (Note 4 & 5)		

*Represents balance as at 30 June 2015.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Parent Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
31 March 2016							
Financial assets measured at fair value							
Other financial assets		8,638	-	-	8,638	8,638	8,638
Financial assets not measured at fair value							
Cash and bank balances	20.1	-	1,290,130	-	1,290,130	-	-
Other receivables		-	76,041	-	76,041	-	-
Other financial assets		-	18,602	-	18,602	-	-
Interest accrued		-	43,447	-	43,447	-	-
Trade deposits		-	21,787	-	21,787	-	-
Trade debts - considered good		-	706,391	-	706,391	-	-
Long term deposits		-	24,151	-	24,151	-	-
Advance to related parties		-	-	-	-	-	-
Advance to employees		-	47,673	-	47,673	-	-
		-	2,228,222	-	2,228,222	-	-
Financial liabilities not measured at fair value							
Long term financing - secured	20.1	-	2,187,800	-	2,187,800	-	-
Trade and other payables	20.2	-	1,277,441	-	1,277,441	-	-
Markup accrued		-	34,930	-	34,930	-	-
Short term borrowings - secured		-	-	-	-	-	-
Current portion of long term financing		-	530,751	-	530,751	-	-
		-	4,030,922	-	4,030,922	-	-

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period ended 31 March 2016

On-balance sheet financial instruments 30 June 2015	Note	Carrying amount			Fair value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Total
(Rupees'000)							
Financial assets measured at fair value							
Other financial assets		10,979	-	-	10,979	10,979	10,979
Financial assets not measured at fair value							
	20.1						
Cash and bank balances		-	780,396	-	780,396	-	-
Other receivables		-	35,673	-	35,673	-	-
Other financial assets		-	21,200	-	21,200	-	-
Interest accrued		-	5,982	-	5,982	-	-
Trade deposits		-	19,208	-	19,208	-	-
Trade debts - considered good		-	539,518	-	539,518	-	-
Long term deposits		-	19,920	-	19,920	-	-
Advance to related parties		-	500,000	-	500,000	-	-
Advance to employees		-	5,797	-	5,797	-	-
		-	1,927,694	-	1,927,694	-	-
Financial liabilities not measured at fair value							
	20.1						
Long term financing - secured		-	685,128	-	685,128	-	-
Trade and other payables	20.2	-	1,097,509	-	1,097,509	-	-
Markup accrued		-	38,669	-	38,669	-	-
Short term borrowings - secured		-	-	-	-	-	-
Current portion of long term financing		-	89,338	-	89,338	-	-
		-	1,910,644	-	1,910,644	-	-

20.1 The Group has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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

21 DATE OF APPROVAL

This unaudited condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Parent Company in its meeting held on 30 April 2016.

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M.A. Bawany
Director



Shakir Abu Bakar
Director

PC

PC
Pearl-Continental Hotel

Entrance

Exit

Entrance



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