



PAKISTAN SERVICES LTD.



Pearl-Continental

HOTELS & RESORTS

An aerial photograph of the Pearl-Continental Hotel in Muzaffarabad, Pakistan. The hotel is a large, modern building with a prominent glass facade and a red-tiled roof. It is surrounded by lush greenery, including lawns, trees, and a central courtyard with a fountain. In the background, there are rolling hills and mountains under a clear sky. The hotel's name and logo are visible on the roof of the main building.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

Pearl-Continental Hotel, Muzaffarabad



Pearl-Continental Hotel, Muzaffarabad



Pearl-Continental
HOTELS & RESORTS

CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the nine months period ended 31 March 2024



PAKISTAN SERVICES LTD.

VISION STATEMENT

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

MISSION STATEMENT

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

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

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

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

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

CORPORATE INFORMATION

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 8 luxury hotels in Karachi, Lahore, Rawalpindi, Bhurban, Muzaffarabad, Hunza, Murree and Malam Jabba, besides one franchised hotel located at Gwadar, comprising total inventory of 1,702 rooms.

BOARD OF DIRECTORS

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

Chairman

AUDITORS

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

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

BANKERS

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

AUDIT COMMITTEE

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

Chairman

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman

NOMINATION COMMITTEE

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

Chairman

RISK MANAGEMENT COMMITTEE

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

Chairman

REGISTERED OFFICE

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

SHARE REGISTRAR

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

CHIEF EXECUTIVE OFFICER

Mr. Bastien Paul Emile Blanc

CHIEF FINANCIAL OFFICER

Mr. Tahir Mahmood

COMPANY SECRETARY

Mr. Muhammad Amir

Directors' Report

Dear Members,

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

Economic Overview

Pakistan's economic outlook remains uncertain and continues to fall behind its Asian neighbors, with low rates of productivity growth and an unsustainable high burden of external debt.

Growth is forecasted to gradually improve, supported by various factors including currency appreciation, control over inflation, and IMF support for reform agenda.

The economy would continue to face challenges from substantial new external financing requirements and the rollover of old debt, exacerbated by tight global financial conditions.

The global economy remains remarkably resilient, with steady growth and slowing inflation almost as quickly as it rose. The increasing regional instability is likely to have a long-lasting economic impact over the region.

During the period, the Company recorded revenue (net) of Rs. 11,388 million, as compared to Rs. 10,509 million registered in the corresponding period of the last year whereas the gross profit for the period is Rs. 4,819 million as compared to Rs. 4,395 million of comparative period of the last year. The profit before tax is Rs. 944 million as compared to Rs. 546 million in the corresponding period of last year.

Highlights of Performance:

	For the nine months period ended 31 March	
	2024	2023
	[Rupees million]	
Sales and Services – net	11,388	10,509
Gross profit	4,819	4,395
Profit before taxation	944	546
Profit after taxation	732	372
Earnings per share [Rupees]	22.52	11.43

Performance of Rooms Department

During the period Rooms Revenue-net was recorded at Rs. 5,039 million as against Rs. 4,465 million of the corresponding period of last year.

Performance of Food & Beverage (F&B) Department

Revenue-net from this segment has been recorded at Rs. 5,691 million for the period under review as compared to Rs. 5,383 million of the same period last year.

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

From this segment of the business revenue-net of Rs. 658 million has been achieved as compared to Rs. 661 million of the comparative period of last year.

Consolidated Results

During the current period, the group recorded a revenue [net] of Rs. 11,585 million as compared to Rs. 10,802 million of the same period last year. Profit after taxation is recorded at Rs. 1,143 million in comparison with Rs. 169 million of the corresponding period of the previous year.

Prospects

The new government has been formed and the policymakers are very hopeful and have prioritized steps toward greater economic resilience such as bringing inflation down and currency appreciation back to target. The govt has started talks with IMF and it is hoped that in May 2024 Pakistan will concluded its funding arrangement with IMF which will enhance investors' confidence and boost the economic activity in the country.

Change in Management

Subsequent to the period end, Mr. Murtaza Hashwani resigned from the position of Chief Executive Officer [CEO] of the Company and Mr. Bastien Paul Emile Blanc is appointed as CEO by the Board of directors.

Acknowledgment

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

For and on behalf of the Board of Directors,



Bastien Paul Emile Blanc

Chief Executive Officer



Shakir Abu Bakar

Director

Islamabad: 26 April 2024

ڈائریکٹرز رپورٹ

محترم حصص داران:

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

اقتصادی جائزہ:

پاکستان کے معاشی معاملات بدستور غیر یقینی ہیں اور ایشیائی ہمسایوں سے پیچھے ہوتا جا رہا ہے۔ پیداواری ترقی کی کم شرح اور بیرونی قرضوں کے بوجھ کے باوجود شرح نمو بتدریج بہتر ہونے کی توقع کی جا رہی ہے۔ جس کی وجہ مختلف عوامل بشمول کرنسی کی قدر، افراط زر پر کنٹرول اور اصلاحاتی ایجنڈے کے لئے IMF کی سپورٹ ہے۔ معیشت کو کافی نئی بیرونی مالیاتی ضروریات اور پرانے قرضوں کے رول اور جیسے چلنجز کا سامنا کرنا پڑے گا جو سخت عالمی مالیاتی حالات کی وجہ سے بڑھ گئے ہیں۔

عالمی معیشت غیر معمولی طور پر چلکدار ہے۔ مستحکم نمو اور مہنگائی کی رفتار میں کمی ہوئی ہے۔ بڑھتے ہوئے علاقائی عدم استحکام کی وجہ سے اس خطے پر دیرپا اقتصادی اثرات مرتب ہونے کے امکانات ہیں۔

31 مارچ 2024 کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی نے 11,388 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 10,509 ملین روپے تھے۔

کمپنی کا مجموعی منافع 4,819 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 4,395 ملین روپے تھا۔ قبل از ٹیکس منافع گزشتہ برس کے اسی عرصے کے 546 ملین منافع کے مقابلے میں 944 ملین روپے ریکارڈ کیا گیا۔

کارکردگی کی جھلکیاں:

	نو ماہی مدت اختتام 31 مارچ	
	2024	2023
	(ملین روپے)	
فروخت اور خدمات (خالص)	11,388	10,509
کل منافع	4,819	4,395
منافع قبل از ٹیکس	944	546
منافع بعد از ٹیکس	732	372
فی حصہ آمدنی (روپے میں)	22.52	11.43

رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 4,465 ملین روپے کی نسبت آمدنی 5,039 ملین روپے ریکارڈ کی گئی۔

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

اس شعبے کی آمدن 5,691 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصے کے مقابلے میں 5,383 ملین روپے تھی۔

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

اس شعبے میں زیر جائزہ عرصے کے دوران میں 658 ملین روپے کی آمدنی حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصے کے مقابلے میں 661

ملین روپے تھی۔

مجموعی نتائج:

زیر جائزہ عرصے کے دوران گروپ نے 11,585 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصے میں 10,802 ملین روپے تھے۔ گزشتہ برس کے 169 ملین روپے بعد از ٹیکس منافع کی نسبت موجودہ عرصہ میں 1,143 ملین روپے منافع ریکارڈ کیا گیا۔

مستقبل کے امکانات:

نئی حکومت قائم ہو چکی ہے اور پالیسی میکر بہت پر امید ہیں کہ انہوں نے معاشی بہتری کے لئے ترجیحی اقدامات کئے ہیں جیسا کہ افراط زر کو نیچے لانا اور کرنسی کی قدر کو مستحکم رکھنا۔ حکومت نے IMF کے ساتھ بات چیت ترویج کر دی ہے اور امید ہے کہ مئی 2024 میں پاکستان IMF کے ساتھ فنڈنگ کا انتظام مکمل کرے گا۔ جس سے سرمایہ کاروں کا اعتماد بڑھے گا اور ملک میں معاشی سرگرمیوں کو فروغ ملے گا۔

مینیجمنٹ میں تبدیلی

زیر جائزہ عرصے کے اختتام کے بعد جناب مرتضیٰ ہاشوانی نے چیف ایگزیکٹو آفیسر (سی ای او) کے عہدے سے استعفیٰ دیا اور جناب پیسٹن پال ایمال بلائک کو بورڈ آف ڈائریکٹرز نے سی ای او مقرر کیا۔

اظہار تشکر:

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

مجناب بورڈ آف ڈائریکٹرز



شاکر ابوبکر

ڈائریکٹر



پیسٹن پال ایمال بلائک

چیف ایگزیکٹو آفیسر

اسلام آباد: 26 اپریل 2024



Pearl-Continental Hotel, Bhurban



**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
[UNAUDITED]**
For the nine months period ended
31 March 2024

Condensed Interim Unconsolidated Statement of Financial Position

As at 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
	Note	[Rupees'000]	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		10,849,602	7,846,376
Revaluation surplus on property, plant and equipment		34,227,299	36,498,204
Total equity		45,671,567	44,939,246
LIABILITIES			
Loans and borrowings	5	221,517	1,513,050
Lease liabilities	6	139,322	187,581
Employee benefits		1,039,101	976,778
Other non current liabilities		207,160	141,960
Non - current liabilities		1,607,100	2,819,369
Short term borrowings	7	1,815,221	1,613,027
Current portion of loans and borrowings	5	8,636,801	10,620,322
Current portion of lease liabilities	6	108,686	118,977
Trade and other payables	8	3,511,905	3,324,697
Contract liabilities		941,201	795,235
Advance against non-current assets held for sale		-	500,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		15,024,584	16,983,028
Total equity and liabilities		62,303,251	64,741,643
CONTINGENCIES AND COMMITMENTS	9		

		Unaudited 31 March 2024	Audited 30 June 2023
	Note	[Rupees'000]	
ASSETS			
Property, plant and equipment	10	47,394,853	46,360,926
Advance for capital expenditure	11	1,290,110	1,189,494
Intangible asset	12	72,833	91,454
Investment property		80,000	80,000
Long term investments		1,037,794	1,037,794
Advance against equity investment	13	731,000	731,000
Long term deposits		17,750	19,281
Deferred tax assets-net		209,222	191,901
Non - current assets		50,833,562	49,701,850
Inventories		552,488	510,658
Trade debts		1,003,502	939,652
Contract assets		14,015	20,620
Advances, prepayments, trade deposits and other receivables		1,950,215	1,951,222
Short term investments	14	1,167,850	1,136,110
Non-current assets held for sale	15	6,368,444	9,339,704
Advance tax - net		86,260	787,018
Cash and bank balances		326,915	354,809
Current assets		11,469,689	15,039,793
Total assets		62,303,251	64,741,643

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


Bastien Paul Emile Blanc
 Chief Executive Officer


Shakir Abu Bakar
 Director


Tahir Mahmood
 Chief Financial Officer

Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)

For the nine months period ended 31 March 2024

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2024	2023	2024	2023
[Rupees'000]					
Revenue - net	16	3,651,643	3,549,807	11,388,163	10,509,283
Cost of sales and services	17	[2,214,493]	[2,016,160]	[6,568,994]	[6,113,989]
Gross profit		1,437,150	1,533,647	4,819,169	4,395,294
Other income		466,105	44,150	560,881	255,279
Administrative expenses		[965,299]	[883,489]	[2,927,627]	[2,784,285]
Reversal / [allowance] for impairment loss on trade debts		22,790	[48,967]	[23,208]	[104,721]
Operating profit		960,746	645,341	2,429,215	1,761,567
Finance income		129,064	109,059	217,632	219,731
Unrealised gain / [loss] on remeasurement of investments to fair value - net		[194,064]	12,030	27,361	[49,907]
Finance cost		[726,784]	[446,992]	[1,730,388]	[1,385,410]
Net finance cost		[791,784]	[325,903]	[1,485,395]	[1,215,586]
Profit before taxation		168,962	319,438	943,820	545,981
Income tax expense		[54,126]	[83,430]	[211,499]	[174,367]
Profit for the period		114,836	236,008	732,321	371,614
Earnings [per share - basic and diluted] (Rupees)	18	3.53	7.26	22.52	11.43

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


Bastien Paul Emile Blanc
Chief Executive Officer


Shakir Abu Bakar
Director


Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the nine months period ended 31 March 2024

	Three months period ended 31 March		Nine months period ended 31 March	
	2024	2023	2024	2023
	[Rupees'000]			
Other comprehensive income for the period	114,836	236,008	732,321	371,614
Total comprehensive income for the period	114,836	236,008	732,321	371,614

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



Bastien Paul Emile Blanc
Chief Executive Officer



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2024

	Capital reserve		Revenue reserves		Total equity	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Unappropriated profit
(Rupees'000)						
Adjusted balance as at 01 July 2022	325,242	269,424	39,067,870	1,600,000	3,891,769	45,154,305
Total comprehensive income for the period						
Profit for the period	-	-	-	-	371,614	371,614
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	371,614	371,614
Transfer on disposal of property, plant & equipment	-	-	(2,569,666)	-	2,569,666	-
Balance at 31 March 2023	325,242	269,424	36,498,204	1,600,000	6,833,049	45,525,919
Balance at 01 July 2023	325,242	269,424	36,498,204	1,600,000	6,246,376	44,939,246
Total comprehensive income for the period						
Profit for the period	-	-	-	-	732,321	732,321
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	732,321	732,321
Transfer on disposal of property, plant & equipment	-	-	(2,270,905)	-	2,270,905	-
Balance at 31 March 2024	325,242	269,424	34,227,299	1,600,000	9,249,602	45,671,567

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



Bastien Paul Emile Blanc
Chief Executive Officer



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the nine months period ended 31 March 2024

	Note	Nine months period ended 31 March	
		2024	2023
		[Rupees'000]	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities before working capital changes	19	2,802,706	2,535,406
Working capital changes			
(Increase) / decrease in current assets			
Inventories		[41,830]	[89,098]
Trade debts		[87,058]	[399,032]
Contract assets		6,605	8,269
Advances		[49,595]	[24,655]
Trade deposits and prepayments		[54,520]	[80,417]
Other receivables		180,455	[153,028]
Increase / (decrease) in current liabilities			
Trade and other payables		187,208	974,243
Non current liabilities		65,200	208,645
Contract liabilities		145,966	140,123
Cash generated from operations		352,431	585,050
Staff retirement benefit - gratuity paid		[21,302]	[29,014]
Compensated leave absences paid		[28,884]	[22,302]
Income tax -net		471,937	[299,937]
Finance cost paid		[2,960,815]	[1,810,430]
Net cash generated from operating activities		616,073	958,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		[1,704,304]	[1,317,459]
Advance for capital expenditure		[100,616]	[67,971]
Proceeds from disposal of property, plant and equipment		18,412	62,902
Increase in non-current asset held for sale		[111,373]	[309,233]
Proceeds from disposal of non-current asset held for sale		3,699,999	2,337,910
Short term investments		-	556,000
Dividend income received		-	600
Receipts of return on bank deposits and short term investments		136,260	157,940
Long term deposits and prepayments		1,531	1,902
Net cash generated in investing activities		1,939,909	1,422,591
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		[2,726,175]	[1,688,676]
Lease liabilities paid		[58,550]	[68,693]
Net cash used in financing activities		[2,784,725]	[1,757,369]
Net (decrease)/ increase in cash and cash equivalents		[228,743]	623,995
Cash and cash equivalents at beginning of the period		[1,177,676]	[1,787,969]
Cash and cash equivalents at end of the period	20	[1,406,419]	[1,163,974]

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


Bastien Paul Emile Blanc
Chief Executive Officer


Shakir Abu Bakar
Director


Tahir Mahmood
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

1 THE COMPANY AND ITS OPERATIONS

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

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

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim unconsolidated financial statements do not include the information that was reported in annual audited unconsolidated financial statements and should therefore be read in conjunction with the annual audited unconsolidated financial statements for the year ended 30 June 2023. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2023, whereas comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from unaudited interim unconsolidated financial statements for the nine months period ended 31 March 2023.

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

2.1 Going concern basis of accounting

These condensed interim unconsolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will discharge its liabilities including repayment of loans and interest thereon, in the normal course of business. Accordingly, these condensed interim unconsolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

During the period the Company paid its obligation due for payment as of December 31, 2023 under the restructuring arrangements, in March & April 2024. Further to improve the liquidity in the short term the Company has formally submitted a request for restructuring/rescheduling to its lenders. The negotiations are ongoing and the Company expects a positive outcome of these negotiations.

Management acknowledges that material uncertainty remains over the Company's ability to meet its funding requirements. However, as described above, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Company is unable to continue as going concern, then this could have an impact on the Company's ability to realize assets, and to extinguish its liabilities in the normal course of business.

3 ACCOUNTING POLICIES AND ESTIMATES

3.1 Material accounting policy information

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2023.

There are certain changes to accounting and reporting standards which became applicable during the period, however, these changes have no material impact on these condensed interim financial statements.

3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of the Company for the year ended 30 June 2023.

4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Company from 30 June 2023.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

5 LOANS AND BORROWINGS - Secured	Note	Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000]	
a. Non - current portion			
Term Finance Loan - 1		1,339,825	1,915,649
Term Finance Loan - 2		766,667	1,333,333
Term Finance Loan - 3		1,315,841	1,600,000
Term Finance Loan - 4		329,561	351,050
Sukuk		4,473,129	5,751,166
Transaction cost		[26,856]	[32,711]
		8,198,167	10,918,487
Current portion of loans		[7,976,650]	[9,405,437]
		<u>221,517</u>	<u>1,513,050</u>
b. Current portion			
Current portion of loans		7,976,650	9,405,437
Markup accrued		660,151	1,214,885
		<u>8,636,801</u>	<u>10,620,322</u>

5.1 During the period the Company paid its obligation due for payment as of December 31, 2023 under the restructuring arrangements, in March & April 2024. Further as the Company has formally submitted a request for restructuring/ rescheduling to its lenders and has not paid the loan installments due for March 2024 quarter, accordingly the entire loan amount has been classified to current liabilities as at the reporting date.

5.2 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2023.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	
6 LEASE LIABILITIES		
Opening	306,558	314,037
Interest expenses	42,767	40,369
Additions during the period/ year	-	82,600
Lease payments	[101,317]	[130,448]
Closing	<u>248,008</u>	<u>306,558</u>
Current portion	<u>108,686</u>	<u>118,977</u>
Non-current portion	<u>139,322</u>	<u>187,581</u>

6.1 The current payable amount to related party is Rs. 4.0 million (30 June 2023: Rs. 7.60 million)

		Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
7 SHORT TERM BORROWINGS - secured			
Running finance facilities - banking companies	7.1	1,731,756	1,531,623
Markup accrued		83,465	81,404
		<u>1,815,221</u>	<u>1,613,027</u>

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2023.

		Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
8 TRADE AND OTHER PAYABLES	Note		
Creditors		1,688,736	1,712,323
Accrued liabilities		923,293	728,997
Shop deposits		52,684	50,795
Retention money		150,487	149,167
Due to related parties - unsecured		159,346	64,747
Sales tax payable		279,695	218,507
Income tax deducted at source		35,196	53,808
Unearned income		9,343	37,700
Other liabilities	8.1	213,125	308,653
		<u>3,511,905</u>	<u>3,324,697</u>

8.1 This includes amount of Rs. 11.38 million (30 June 2023: Rs. 20.71 million) payable to directors.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 There is no change in the contingent liabilities as reported in the annual audited unconsolidated financial statements for the year ended 30 June 2023 except for the following:

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
9.1.2	Guarantees	309,653	329,200
9.2	Commitments		
	Commitments for capital expenditure	2,902,608	2,915,776
		Unaudited 31 March 2024	Audited 30 June 2023
10	PROPERTY, PLANT AND EQUIPMENT	[Rupees'000']	
		Note	
	Operating fixed assets	10.1	42,179,773
	Capital work in progress	10.2	5,215,080
			47,394,853
10.1	Operating fixed assets		
	Carrying amount at beginning of the period / year		42,489,556
	Additions during the period / year	10.2.2	74,887
	Transfer from Capital work in progress		286,574
	Asset classified as held for sale		-
	Transfer to CWIP		[865]
	Disposal during the period / year		[7,705]
	Depreciation charge for the period / year	10.2.2	[662,674]
	Carrying amount at end of the period / year		42,179,773
10.2	Capital work in progress		
	Carrying amount at beginning of the period / year		3,871,370
	Additions during the period / year		1,630,284
	Transferred to operating fixed assets		[286,574]
	Transferred to assets held for sale		-
	Carrying amount at end of the period / year	10.2.1	5,215,080
10.2.1	Closing capital work in progress represents:		
	Construction of Pearl Continental Mirpur		3,661,793
	Other civil works		1,553,287
			5,215,080

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2023 were Rs. 500.29 million and Rs. 653.18 million respectively.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
	Note	[Rupees'000]	
11 ADVANCE FOR CAPITAL EXPENDITURE			
Advance for purchase of land	11.1	668,820	668,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,010,476	1,010,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		146,419	45,803
Advances for Pearl Continental Mirpur Project		133,215	133,215
		279,634	179,018
		1,290,110	1,189,494

11.1 This includes amount of Rs. 626.82 million (30 June 2023: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece[s] of land measuring 7.29 acres in Gwadar, in previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Company to place the matter before the shareholders of the Company in the general meeting and seek their approval in terms of section 199 of the Companies Act, 2017. The directors of the Company has filed an appeal in the Honorable Islamabad High Court against the order of SECP. Simultaneously, without prejudice to the right of the Appelants, the management and Board have complied with the directions of SECP in this regard.

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	
12 INTANGIBLE ASSET		
Software	72,833	91,454
Cost		
Opening balance	200,180	200,180
Additions	-	-
Closing balance	200,180	200,180
Accumulated amortisation		
Opening balance	108,726	76,284
Amortisation charge	18,621	32,442
Closing balance	127,347	108,726
Net book value		
Cost	200,180	200,180
Accumulated amortisation	(127,347)	(108,726)
Closing balance	72,833	91,454
Amortisation rate per annum	30%	30%

13 ADVANCE AGAINST EQUITY INVESTMENT

This represents advance against equity investment of Rs. 731 million [30 June 2023: Rs. 731 million] extended by the Company to its wholly owned subsidiary company Elite Properties (Private) Limited .

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	
14 SHORT TERM INVESTMENTS		
Fair value through other comprehensive income		
National Technology Development Corporation Limited	200	200
Indus Valley Solvent Oil Extraction Limited	500	500
Allowance for Impairment loss	(700)	(700)
	-	-
Amortized cost		
Term deposit receipt	637,579	637,579
Term Finance certificate	75,000	75,000
Accrued interest	7,031	2,652
	719,610	715,231
Financial assets at fair value through profit or loss		
Shares of listed Companies	448,240	420,879
	1,167,850	1,136,110

14.1 This mainly includes investment in an associated company having carrying value of Rs. 437.547 million [30 June 2023: Rs. 414.058 million].

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

14.1.1 Out of total shares 15,056,661 held by the Company in an associated company, 15,000,000 (30 June 2023: 15,000,000) ordinary shares are placed / lien marked as security against running finance facility availed by the Company.

		Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
15	NON CURRENT ASSET HELD FOR SALE		
	Property - Civil Line Quarters, Abdullah Haroon Road, Karachi	-	3,766,242
	Under Construction Hotel Pearl Continental Multan	6,368,444	5,573,462
		<u>6,368,444</u>	<u>9,339,704</u>

15.1 During the period the disposal of the property has been completed.

16	REVENUE - NET	Note	Three months period ended 31 March		Nine months period ended 31 March	
			2024	2023	2024	2023
			[Rupees'000']			
	Rooms		1,922,166	1,887,818	5,859,968	5,350,707
	Food and beverages		2,133,080	2,016,918	6,768,972	6,209,090
	Other related services	16.1	245,147	247,748	763,362	746,687
	Fee revenue from franchise & management properties		19,116	39,338	78,370	68,807
	Shop license fees		10,822	10,966	29,687	36,344
			<u>4,330,331</u>	<u>4,202,788</u>	<u>13,500,359</u>	<u>12,411,635</u>
	Discounts		[97,436]	[95,157]	[305,733]	[252,882]
	Sales tax		[581,252]	[557,824]	[1,806,463]	[1,649,470]
			<u>3,651,643</u>	<u>3,549,807</u>	<u>11,388,163</u>	<u>10,509,283</u>

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

17	COST OF SALES AND SERVICES	Three months period ended 31 March		Nine months period ended 31 March	
		2024	2023	2024	2023
		[Rupees'000]			
	Food and beverages				
	Opening balance	182,552	170,326	186,720	150,527
	Purchases during the period	662,244	630,862	1,949,879	1,911,050
	Closing balance	[200,520]	[169,325]	[200,520]	[169,325]
	Consumption during the period	<u>644,276</u>	<u>631,863</u>	<u>1,936,079</u>	<u>1,892,252</u>
	Direct expenses				
	Salaries, wages and benefits	595,645	536,598	1,719,510	1,554,926
	Heat, light and power	399,109	292,107	1,270,250	1,115,903
	Repair and maintenance	128,990	117,931	359,563	338,413
	Depreciation	175,544	176,588	535,751	535,489
	Amortization	5,168	7,180	16,759	22,991
	Guest supplies	88,206	75,439	267,848	211,744
	Linen, china and glassware	62,975	39,327	151,306	107,797
	Communication	1,147	2,193	6,210	8,101
	Laundry and dry cleaning	24,697	18,206	67,568	55,935
	Banquet and decoration	20,345	17,065	54,757	55,759
	Transportation	17,409	12,420	47,666	36,160
	Uniforms	7,287	4,436	20,255	16,167
	Music and entertainment	5,364	4,186	15,266	13,285
	Others	38,331	80,621	100,206	149,067
		<u>2,214,493</u>	<u>2,016,160</u>	<u>6,568,994</u>	<u>6,113,989</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

	Three months period ended 31 March		Nine months period ended 31 March	
	2024	2023	2024	2023
18 EARNINGS PER SHARE	[Rupees'000]			
Profit for the period [Rupees '000]	114,836	236,008	732,321	371,614
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170	32,524,170	32,524,170
Earnings per share - basic [Rupees]	3.53	7.26	22.52	11.43

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

19 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	Nine months period ended 31 March	
	2024	2023
	[Rupees'000]	
Profit before tax	943,820	545,981
Adjustments for:		
Depreciation	662,674	653,175
Amortization	18,621	25,546
Gain on disposal of property, plant and equipment	(10,707)	(31,903)
Gain on disposal of non-current assets held for sale	(433,757)	(98,356)
Provision for staff retirement benefit - gratuity	88,797	90,937
Provision for compensated leave absences	23,712	22,820
Impairment loss on trade debts	23,208	104,721
Return on bank deposits / certificate of investments	(141,355)	(152,005)
Finance cost	1,730,388	1,385,410
Dividend income	(75,333)	(60,827)
Unrealised [gain]/ loss on remeasurement of investments to fair value	(27,361)	49,907
	2,802,706	2,535,406
20 CASH AND CASH EQUIVALENTS		
Cash and bank balances	326,915	574,129
Short term borrowings	(1,815,221)	(1,807,684)
Accrued markup on short term borrowings	83,465	71,970
Accrued profit on bank deposits	(1,578)	(2,389)
	(1,406,419)	(1,163,974)
21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

Nine months period ended
31 March
2024 2023
[Rupees'000]

Transactions with subsidiary companies

Sales	10,752	2,652
Services provided	17,854	10,536
Services availed	106,460	98,254
Refund of Advance against equity investment	150,000	-

Balances as at the period / year end:

- Trade debts	7,830	*8,310
- Long term investments	1,037,794	*1,037,794
- Refundable against equity investments	1,143,071	*1,293,071
- Advances, deposits and prepayments & other receivables	61	-
- Contract liabilities	25,543	*12,190

Transactions with associated undertakings

Sales	1,793	2,152
Services provided	7,328	10,097
Services availed	497,637	416,149
Purchases	256,053	167,645
Franchise fee - income	5,175	4,202
Dividend income	75,283	60,227
Purchase of Fixed asset	52	11,109
Sale of Fixed asset	-	10,241

Balances as at the period / year end:

- Trade debts	41,411	*18,223
- Advances, deposits and prepayments & other receivables	26,909	*24,659
- Dividend receivable	75,283	-

Transactions with other related parties

Sales	304	325
Services provided	600	81
Services availed	34,922	28,808
Contribution to defined contribution plan - provident fund	53,397	46,191

Balances as at the period / year end:

- Trade debts	351	* 325
- Advance for capital expenditure	626,820	*626,820

Transactions with key management personnel

Remuneration and allowances including staff retirement benefits	389,953	362,635
Advance remuneration Other receivables	26,809	-
Payable to key management personnel	11,383	* 20,712

* Represents balances as at 30 June 2023.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

22.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Amortized cost	Financial Liabilities Amortized cost					
As at 31 March 2024									
Financial assets measured at fair value									
Shares of listed Companies	14	448,240	-	-	448,240	448,240	-	-	448,240
Long term deposits		17,750	-	-	17,750	17,750	-	-	17,750
Short term deposits		22,486	-	-	22,486	22,486	-	-	22,486
		<u>488,476</u>	<u>-</u>	<u>-</u>	<u>488,476</u>	<u>488,476</u>	<u>-</u>	<u>-</u>	<u>488,476</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	1,003,502	-	1,003,502	-	-	-	-
Contract assets		-	14,015	-	14,015	-	-	-	-
Advance to employees		-	56,139	-	56,139	-	-	-	-
Other receivables		-	213,944	-	213,944	-	-	-	-
Short term investments	14	-	712,579	-	712,579	-	-	-	-
Accrued interest		-	8,609	-	8,609	-	-	-	-
Cash and bank balances		-	326,915	-	326,915	-	-	-	-
		<u>-</u>	<u>2,335,703</u>	<u>-</u>	<u>2,335,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	5	-	-	8,885,174	8,885,174	-	-	-	-
Other non current liabilities		-	-	207,160	207,160	-	-	-	-
Short term borrowings	7	-	-	1,815,221	1,815,221	-	-	-	-
Lease liabilities	6	-	-	248,008	248,008	-	-	-	-
Trade and other payables	22.3	-	-	3,187,671	3,187,671	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>14,354,004</u>	<u>14,354,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2023									
Financial assets measured at fair value									
Short term investments	14	420,879	-	-	420,879	420,879	-	-	420,879
Long term deposits		19,281	-	-	19,281	-	-	19,281	19,281
Short term deposits		21,431	-	-	21,431	-	-	21,431	21,431
		<u>461,591</u>	<u>-</u>	<u>-</u>	<u>461,591</u>	<u>420,879</u>	<u>-</u>	<u>40,712</u>	<u>461,591</u>
Financial assets not measured at fair value									
Trade debts	22.2	-	939,652	-	939,652	-	-	-	-
Contract assets		-	20,620	-	20,620	-	-	-	-
Advance to employees		-	7,109	-	7,109	-	-	-	-
Other receivables		-	1,771,954	-	1,771,954	-	-	-	-
Short term investments	14	-	712,579	-	712,579	-	-	-	-
Accrued Interest		-	3,514	-	3,514	-	-	-	-
Cash and bank balances		-	354,809	-	354,809	-	-	-	-
		<u>-</u>	<u>3,810,237</u>	<u>-</u>	<u>3,810,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Loans and borrowings	5	-	-	12,166,083	12,166,083	-	-	-	-
Other non current liabilities		-	-	141,960	141,960	-	-	-	-
Short term borrowings	7	-	-	1,613,027	1,613,027	-	-	-	-
Lease liabilities	6	-	-	306,558	306,558	-	-	-	-
Trade and other payables	22.3	-	-	3,014,682	3,014,682	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>17,253,080</u>	<u>17,253,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

- 22.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.
- 22.3 It excludes, federal excise duty, sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.
- 23 DATE OF AUTHORISATION FOR ISSUE
- 23.1 These condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in its meeting held on 26 April, 2024.



Bastien Paul Emile Blanc
Chief Executive Officer



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer



Pearl-Continental Hotel, Malam Jabba



**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
[UNAUDITED]**
For the nine months period ended
31 March 2024

Condensed Interim Consolidated Statement of Financial Position

As at 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
	Note	(Rupees'000)	
EQUITY			
Share capital	4	325,242	325,242
Capital reserve		509,226	145,070
Revenue reserves		9,061,300	5,620,965
Revaluation surplus on property, plant and equipment		34,227,300	36,498,205
Equity attributable to owners		44,123,068	42,589,482
Non-controlling interest		233,426	117,667
Total equity		44,356,494	42,707,149
LIABILITIES			
Loans and borrowings	5	610,517	1,882,050
Lease liabilities	6	199,175	248,909
Employee benefits		1,093,054	1,042,945
Deferred tax liability - net		611,888	633,007
Other non current liabilities		207,160	141,960
Non - current liabilities		2,721,794	3,948,871
Short term borrowings	7	2,067,088	2,576,960
Current portion of loans and borrowings	5	8,778,682	10,729,652
Current portion of lease liabilities	6	117,872	151,161
Trade and other payables	8	3,706,355	3,707,432
Contract liabilities		1,091,301	952,335
Advance against non-current assets held for sale	15	-	500,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
Current liabilities		15,772,068	18,628,310
Total equity and liabilities		62,850,356	65,284,330
CONTINGENCIES AND COMMITMENTS			
	9		

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

	Note	Unaudited 31 March 2024 [Rupees'000]	Audited 30 June 2023
ASSETS			
Property, plant and equipment	10	47,564,221	46,576,613
Intangible asset	11	292,081	677,847
Advance for capital expenditure	12	1,290,110	1,189,494
Investment property		80,000	80,000
Long term investments		1,379,214	1,103,776
Advance against equity investment	13	-	-
Long term deposits		17,750	50,026
Non - current assets		50,623,376	49,677,756
Inventories		562,005	520,654
Development properties		1,844,125	2,005,487
Trade debts		1,071,390	987,640
Contract assets		14,015	20,620
Advances, prepayments, trade deposits and other receivables		1,124,110	790,940
Short term investments	14	733,677	725,755
Non current assets held for sale	15	6,368,444	9,339,704
Advance tax - net		120,889	828,745
Cash and bank balances		388,325	387,029
Current assets		12,226,980	15,606,574
Total assets		62,850,356	65,284,330


Bastien Paul Emile Blanc
 Chief Executive Officer


Shakir Abu Bakar
 Director


Tahir Mahmood
 Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

For the nine months period ended 31 March 2024

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2024	2023	2024	2023
[Rupees'000]					
Revenue - net	16	3,711,626	3,603,298	11,585,274	10,801,592
Cost of sales and services	17	[2,284,518]	[2,080,408]	[6,766,387]	[6,373,565]
Gross profit		1,427,108	1,522,890	4,818,887	4,428,027
Other income		467,224	45,134	609,831	272,077
Administrative expenses		[963,634]	[948,122]	[2,990,123]	[2,981,666]
Other expenses/ reversal		[197,734]	36,263	[44,555]	[63,566]
Gain on disposal of subsidiary		-	-	491,749	-
Reversal / [allowance] for impairment loss on trade debts		22,790	[48,967]	[23,208]	[104,721]
Operating profit		755,754	607,198	2,862,581	1,550,151
Finance income		55,830	49,483	148,576	162,968
Unrealised gain / [loss] on remeasurement of investments to fair value - net		770	[316]	3,873	[521]
Finance cost		[747,685]	[466,029]	[1,793,925]	[1,436,813]
Net finance cost		[691,085]	[416,862]	[1,641,476]	[1,274,366]
Share of profit in equity accounted investments		78,183	36,310	143,327	74,407
Profit before taxation		142,852	226,646	1,364,432	350,192
Income tax expense		[51,453]	[85,498]	[221,637]	[180,827]
Profit for the period		91,399	141,148	1,142,795	169,365
Profit attributable to:					
Owners of the Company		96,887	162,934	1,169,430	215,457
Non-controlling interests		[5,488]	[21,786]	[26,635]	[46,092]
		91,399	141,148	1,142,795	169,365
Earnings [per share - basic and diluted] [Rupees]	18	2.98	5.01	35.96	6.62

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


Bastien Paul Emile Blanc
Chief Executive Officer


Shakir Abu Bakar
Director


Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months period ended 31 March 2024

	Three months period ended 31 March		Nine months period ended 31 March	
	2024	2023	2024	2023
	[Rupees'000]			
Profit for the period	91,399	141,148	1,142,795	169,365
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	91,399	141,148	1,142,795	169,365
Total comprehensive income attributable to:				
Owners of the Company	96,887	162,934	1,169,430	215,457
Non-controlling interests	(5,488)	(21,786)	(26,635)	(46,092)
	91,399	141,148	1,142,795	169,365

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



Bastien Paul Emile Blanc
Chief Executive Officer



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2024

	Capital reserve			Revenue reserves				Surplus on revaluation of property, plant and equipment	Total	Non-controlling interest	Total equity		
	Share premium	Acquisition reserve	Shares of associates's capital reserve	General reserve	Fair value through other comprehensive income	Exchange translation reserve (net of tax)	Share of other OCI items of associate					Unappropriated profit	
Adjusted balance at 01 July 2022	325,242	269,424	(271,575)	147,221	1,600,000	-	1,468,847	27,840	958,478	39,067,871	43,593,348	186,344	43,779,692
Total comprehensive income for the period	-	-	-	-	-	-	-	-	215,457	-	215,457	(46,092)	169,365
Profit/ [loss] for the period	-	-	-	-	-	-	-	-	-	-	-	14,400	14,400
Advance against issuance of shares	-	-	-	-	-	-	-	-	215,457	-	215,457	(31,692)	183,765
Total comprehensive income for the period	-	-	-	-	-	-	-	-	215,457	-	215,457	(31,692)	183,765
Transfer on disposal of property, plant & equipment	-	-	-	-	-	-	-	-	2,569,666	(2,569,666)	-	-	-
Balance at 31 March 2023	325,242	269,424	(271,575)	147,221	1,600,000	-	1,468,847	27,840	3,743,601	36,498,205	43,808,805	154,652	43,963,457
Balance at 01 July 2023	325,242	269,424	(271,575)	147,221	1,600,000	19,678	2,170,394	3,125	1,827,768	36,498,205	42,589,482	117,667	42,707,149
Total comprehensive income for the year	-	-	-	-	-	-	-	-	1,169,480	-	1,169,480	(26,635)	1,142,795
Profit/ [loss] for the period	-	-	-	-	-	-	-	-	-	-	-	364,156	364,156
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,169,480	-	1,169,480	115,759	1,649,345
Transfer on disposal of property, plant & equipment	-	-	-	-	-	-	-	-	2,270,905	(2,270,905)	-	-	-
Balance at 31 March 2024	325,242	269,424	92,581	147,221	1,600,000	19,678	2,170,394	3,125	5,268,103	34,227,300	44,123,068	233,426	44,356,494

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


Bastien Paul Emile Blanc
Chief Executive Officer


Shakir Abu Bakar
Director


Tahir Mahmood
Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months period ended 31 March 2024

	Note	Nine months period ended 31 March	
		2024	2023
[Rupees'000]			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities before working capital changes	19	3,276,080	2,402,567
Working capital changes			
(Increase) / decrease in current assets			
Inventories		[41,351]	[101,899]
Development properties		161,362	-
Trade debts		[106,958]	[409,768]
Contract assets		6,605	8,269
Advances		[53,677]	[61,644]
Trade deposits and prepayments		[92,686]	[118,010]
Other receivables		[186,807]	[168,869]
Increase / (decrease) in current liabilities			
Trade and other payables		[1,077]	995,830
Non current liabilities		65,200	208,645
Contract liabilities		138,966	136,323
Cash (used in) / generated from operations		[110,423]	488,877
Staff retirement benefit - gratuity paid		[37,245]	[42,829]
Compensated leave absences paid		[29,371]	[22,581]
Income tax paid- net		464,780	[314,698]
Finance cost paid		[2,991,801]	[1,827,027]
Net cash generated from operating activities		572,021	684,309
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		[1,687,243]	[1,403,255]
Advance for capital expenditure		[100,616]	13,509
Payment for Intangible asset		-	[59,450]
Proceeds from disposal of property, plant and equipment		56,822	84,775
Disposal of a subsidiary		703,236	-
Short term investments		330	555,670
Proceed from disposal of asset held for sale		3,699,999	2,337,910
Addition in asset held for sale		[111,373]	[309,233]
Dividend income received		-	600
Receipts of return on bank deposits and short term investments		136,259	161,477
Long term deposits and prepayments		32,276	966
Net cash generated in investing activities		2,729,690	1,382,969
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		[2,726,175]	[1,690,610]
Settlement of short term loan		[712,067]	-
Proceeds from short term loan		-	132,600
Proceeds from long term financing		20,000	90,000
Advance against issuance of shares		-	14,400
Lease liabilities paid		[83,023]	[101,167]
Net cash used in financing activities		[3,501,265]	[1,554,777]
Net (decrease) / increase in cash and cash equivalents		[199,554]	512,501
Cash and cash equivalents at beginning of the period		[1,145,455]	[1,627,920]
Cash and cash equivalents at end of the period	20	[1,345,009]	[1,115,419]

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


Bastien Paul Emile Blanc
Chief Executive Officer


Shakir Abu Bakar
Director


Tahir Mahmood
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

1 THE GROUP AND ITS OPERATIONS

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

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

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

Subsidiary Companies	Nature of business	Holding
Pearl Tours and Travels (Private) Limited	Rent-a-car, tour packages and travel related work	100%
Pearl Continental Hotels (Private) Limited	Non-operational	100%
City Properties (Private) Limited	Real Estate Development	100%
Elite Properties (Private) Limited	Real Estate Development	100%
Invency (Private) Limited (through CPPL)	Conglomerate	78%

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

The disclosures in these interim consolidated financial statements do not include the information that was reported in annual audited consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements for the year ended 30 June 2023. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2023, whereas comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are extracted from unaudited interim consolidated financial statements for the nine months period ended 31 March 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

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

2.1 Going concern basis of accounting

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue its operations and will discharge its liabilities including repayment of loans and interest thereon, in the normal course of business. Accordingly, these condensed interim consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

During the period the Parent Company paid its obligation due for payment as of December 31, 2023 under the restructuring arrangements, in March & April 2024. Further to improve the liquidity in the short term the Parent Company has formally submitted a request for restructuring/rescheduling to its lenders. The negotiations are ongoing and the Parent Company expects a positive outcome of these negotiations.

Management acknowledges that material uncertainty remains over the Group's ability to meet its funding requirements. However, as described above, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Group is unable to continue as going concern, then this could have an impact on the Group's ability to realize assets, and to extinguish its liabilities in the normal course of business.

3 ACCOUNTING POLICIES AND ESTIMATES

3.1 Material accounting policy information

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements of the Group for the year ended 30 June 2023.

3.2 Accounting estimates and judgments

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of the Parent Company for the year ended 30 June 2023.

4 SHARE CAPITAL

There is no change in the authorized, issued, subscribed and paid up share capital of the Parent Company from 30 June 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	
5 LOANS AND BORROWINGS - secured		
a. Non - current portion		
Term Finance Loan - 1	1,339,825	1,915,649
Term Finance Loan - 2	766,667	1,333,333
Term Finance Loan - 3	1,315,841	1,600,000
Term Finance Loan - 4	329,561	351,050
Sukuk	4,473,129	5,751,166
Preference Shares	279,000	279,000
Term Finance Loan - 5	90,000	90,000
Term Finance Loan - 6	20,000	-
Transaction cost	(26,856)	(32,711)
	8,587,167	11,287,487
Current portion of loans	(7,976,650)	(9,405,437)
	610,517	1,882,050
b. Current portion		
Current portion of loans	7,976,650	9,405,437
Markup accrued	802,032	1,324,215
	8,778,682	10,729,652

5.1 During the period the Parent Company paid its obligation due for payment as of December 31, 2023 under the restructuring arrangements, in March & April 2024. Further as the Company has formally submitted a request for restructuring/rescheduling to its lenders and has not paid the loan installments due for March 2024 quarter, accordingly the entire loan amount has been classified to current liabilities as at the reporting date.

5.2 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

6 LEASE LIABILITIES	Note	Unaudited 31 March 2024	Audited 30 June 2023
[Rupees'000']			
Opening		400,070	366,244
Additions during the period/ year		-	83,286
Interest		57,445	60,001
Payments		(140,468)	(180,534)
Transfer from Advance for Capex to Lease liability		-	71,073
Closing		<u>317,047</u>	<u>400,070</u>
Current portion		<u>117,872</u>	<u>151,161</u>
Non-current portion		<u>199,175</u>	<u>248,909</u>

6.1 The current payable amount to related party is Rs. 4.0 million [30 June 2023: Rs.7.60 million]

7 SHORT TERM BORROWINGS - secured	Note	Unaudited 31 March 2024	Audited 30 June 2023
[Rupees'000']			
Running finance facilities - banking companies	7.1	1,731,756	1,531,622
Short term loan - unsecured	7.2	251,867	963,934
Markup accrued		83,465	81,404
		<u>2,067,088</u>	<u>2,576,960</u>

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023.

7.2 This includes loan from directors Rs. 32.83 million [30 June 2023: 696.90 million] and from related parties Rs. 217.03 million [30 June 2023 : Rs. 267.03 million].

8 TRADE AND OTHER PAYABLES	Note	Unaudited 31 March 2024	Audited 30 June 2023
[Rupees'000']			
Creditors		1,726,912	1,834,296
Accrued liabilities	8.1	1,053,669	850,675
Shop deposits		52,684	50,795
Retention money		150,487	149,167
Due to related parties - unsecured		158,664	62,471
Sales tax payable-net		279,695	218,507
Income tax deducted at source		37,862	76,466
Unearned income		9,343	37,700
Payable to provident fund		7,877	7,877
Other liabilities	8.1	229,162	419,477
		<u>3,706,355</u>	<u>3,707,432</u>

8.1 This includes amount of Rs. 11.38 million [30 June 2023: Rs. 20.71 million] payable to director of the Parent Company and Rs. 20 million [30 June 2023 : Rs. 102.5 million] payable on behalf of a subsidiary.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 There is no change in the contingent liabilities as reported in the annual audited consolidated financial statements of the Group for the year ended 30 June 2023 except for the following:

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	
9.1.2 Guarantees	310,789	330,336
9.2 Commitments		
Commitments for capital expenditure	292,608	2,915,776

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000']	

10 PROPERTY, PLANT & EQUIPMENT

	Note	Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
Operating fixed assets	10.1	42,349,141	42,705,243
Capital work in progress	10.2	5,215,080	3,871,370
		47,564,221	46,576,613

10.1 Operating fixed assets

Carrying amount at beginning of the period / year		42,705,243	45,964,339
Additions during the period / year	10.2.2	74,887	311,098
Transfer from Capital work in progress		286,574	1,162,574
Asset classified as held for sale		-	(3,768,347)
Transfer to CWIP		(865)	(1,154)
Disposal during the period / year		(30,639)	(40,584)
Depreciation charge for the period / year	10.2.2	(686,059)	(922,683)
Carrying amount at end of the period / year		42,349,141	42,705,243

10.2 Capital work in progress

Carrying amount at beginning of the period / year		3,871,370	3,730,842
Additions during the period / year		1,630,284	1,345,749
Transferred to operating fixed assets		(286,574)	(1,162,574)
Transferred to assets held for sale		-	(42,647)
Carrying amount at end of the period / year	10.2.1	5,215,080	3,871,370

10.2.1 Closing capital work in progress represents:

Construction of Pearl Continental Mirpur		3,661,793	3,654,757
Other civil works		1,553,287	216,613
		5,215,080	3,871,370

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2023 were Rs. 500.29 million and Rs. 653.18 million respectively.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

	Unaudited 31 March 2024	Audited 30 June 2023
	[Rupees'000]	
11 INTANGIBLE ASSET		
Project under development	220,436	586,394
Software	71,645	91,453
	<u>292,081</u>	<u>677,847</u>
Cost		
Opening balance	789,462	712,432
Additions : Project under development	-	23,520
Additions : Project under development	-	40,024
Additions : Software	-	13,486
Closing balance	<u>789,462</u>	<u>789,462</u>
Accumulated amortisation		
Opening balance	111,615	77,320
Amortisation charge	19,808	34,295
Closing balance	<u>131,423</u>	<u>111,615</u>
Net book value		
Cost	789,462	789,462
Adjustment on subsidiary disposal	(365,958)	-
Accumulated amortisation	(131,423)	(111,615)
Closing balance	<u>292,081</u>	<u>677,847</u>
Amortisation rate per annum		
Project under development	5% to 10%	5% to 10%
Software	30%	30%

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
	Note	[Rupees'000]	
12 ADVANCE FOR CAPITAL EXPENDITURE			
Advance for purchase of land	11.1	668,820	668,820
Advance for purchase of Malir Delta Land	11.2	381,656	381,656
Impairment loss		(40,000)	(40,000)
		1,010,476	1,010,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		146,419	45,803
Advances for Pearl Continental Mirpur Project		133,215	133,215
		279,634	179,018
		1,290,110	1,189,494

12.1 This includes amount of Rs. 626.82 million (30 June 2023: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece[s] of land measuring 7.29 acres in Gwadar, in previous years, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Parent Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Parent Company to place the matter before the shareholders of the Parent Company in the general meeting and seek their approval in terms of section 199 of the Companies Act, 2017. The directors of the Parent Company has filed an appeal in the Honorable Islamabad High Court against the order of SECP. Simultaneously, without prejudice to the right of the Appellants, the management and Board have complied with the directions of SECP in this regard.

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

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

		Unaudited 31 March 2024	Audited 30 June 2023
		[Rupees'000']	
13	ADVANCE AGAINST EQUITY INVESTMENT		
	Xoop Technologies (Private) Limited Impairment allowance	- -	248,278 [248,278]
	Home Shopping Impairment allowance	- -	116,124 [116,124]
		-	-
		-	-
		-	-
		-	-
14	SHORT TERM INVESTMENTS		
		Note	[Rupees'000']
	Fair value through other comprehensive income		
	National Technology Development Corporation Limited	200	200
	Indus Valley Solvent Oil Extraction Limited	500	500
	Impairment loss	[700]	[700]
		-	-
	Amortized cost		
	Term deposit receipt	637,579	637,579
	Term Finance certificate	75,000	75,000
	Mutual Fund	3,373	3,703
	Accrued interest	7,031	2,652
		722,983	718,934
	Financial assets at fair value through profit or loss		
	Shares of listed Companies	10,694	6,821
		733,677	725,755
15	NON CURRENT ASSET HELD FOR SALE		
	Properties - Survey No. 8, Civil Line, Karachi	15.1	-
	Under construction hotel Pearl Continental Multan		3,766,242
		6,368,444	5,573,462
		6,368,444	9,339,704

15.1 During the period, the disposal of the property has been completed.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

16 REVENUE - NET	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2024	2023	2024	2023
		[Rupees'000']			
Rooms		1,918,112	1,883,669	5,842,114	5,340,171
Food and beverages		2,124,530	2,015,989	6,758,220	6,206,438
Other related services	16.1	271,554	232,721	845,119	935,590
Vehicle rentals		64,312	62,526	199,430	169,765
Shop license fees		10,822	10,966	29,687	36,344
Franchise & management fee revenue		19,116	39,338	78,370	68,807
		4,408,446	4,245,209	13,752,940	12,757,115
Discounts and commissions		[105,571]	[103,503]	[330,406]	[275,774]
Sales tax		[591,249]	[538,408]	[1,837,260]	[1,679,749]
		3,711,626	3,603,298	11,585,274	10,801,592

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

17 COST OF SALES AND SERVICES	Three months period ended 31 March		Nine months period ended 31 March	
	2024	2023	2024	2023
	[Rupees'000]			
Food and beverages				
Opening balance	182,552	170,326	186,720	150,527
Purchases during the period	662,244	630,862	1,949,879	1,911,050
Closing balance	[200,520]	[169,325]	[200,520]	[169,325]
Consumption during the period	644,276	631,863	1,936,079	1,892,252
Direct expenses				
Salaries, wages and benefits	624,518	557,583	1,801,223	1,617,936
Heat, light and power	399,109	292,107	1,270,250	1,115,903
Repair and maintenance	129,091	118,052	360,018	338,906
Depreciation	181,095	183,481	553,320	555,853
Amortization	5,168	7,180	16,759	22,991
Guest supplies	88,206	75,439	267,848	211,744
Linen, china and glassware	62,975	39,327	151,306	107,797
Communication and other related services	1,147	2,193	6,210	8,101
Laundry and dry cleaning	24,697	18,206	67,568	55,935
Banquet and decoration	20,345	17,065	54,757	55,759
Transportation	6,708	4,849	15,728	6,683
Uniforms	7,287	4,436	20,255	16,167
Music and entertainment	5,364	4,186	15,266	13,285
Insurance	1,113	831	2,789	2,493
Vehicle operating Expense	25,843	22,138	80,882	64,637
Vehicle Rental and Registration Charges	9,890	13,420	27,162	35,910
Others	47,686	88,052	118,967	251,213
	2,284,518	2,080,408	6,766,387	6,373,565
18 EARNINGS PER SHARE				
Profit / [loss] for the period [Rupees '000]	96,887	162,934	1,169,430	215,457
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170	32,524,170	32,524,170
Earnings / [loss] per share - basic [Rupees]	2.98	5.01	35.96	6.62

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

19	CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	Nine months period ended 31 March	
		2024	2023
		[Rupees'000]	
	Profit before tax	1,364,432	350,192
	Adjustments for:		
	Depreciation	686,059	679,790
	Amortization	19,808	26,818
	Gain on disposal of property, plant and equipment	(50,319)	(47,598)
	Gain on disposal of Assets held for sale	(433,757)	(98,356)
	Provision for staff retirement benefit - gratuity	92,807	93,550
	Provision for compensated leave absences	23,918	23,025
	Impairment loss on trade debts	23,208	104,721
	Return on bank deposits / certificate of investments	(141,355)	(155,468)
	Finance cost	1,793,925	1,436,813
	Dividend income	-	(600)
	Unrealised Gain / [loss] on remeasurement of investments to fair value	(3,873)	521
	Share of gain in equity accounted investment-net	(143,327)	(74,407)
	[Reversal] / impairment on investment in associated company	44,555	63,566
		<u>3,276,080</u>	<u>2,402,567</u>
20	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	388,325	622,700
	Short term borrowings	(1,731,756)	(1,735,714)
	Accrued profit on bank deposits	(1,578)	(2,405)
		<u>(1,345,009)</u>	<u>(1,115,419)</u>
21	TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

Nine months period ended
31 March
2024 2023
(Rupees'000)

Transactions with associated undertaking

Sales	1,793	3,334
Services provided	70,196	58,375
Services availed	511,884	428,931
Purchases	256,053	167,645
Franchise fee - income	5,175	4,202
Dividend income	75,283	60,227
Purchase of Fixed asset	52	11,109
Sale of Fixed asset	-	10,241

Balances as at the period / year end:

- Trade debts	65,120	* 34,698
- Trade Advances, deposits, prepayments & other receivables	27,989	* 25,739
- Dividend receivable	75,283	-
- Contract Liabilities	25,543	-

Transactions with other related parties

Sales	304	325
Services provided	600	81
Services availed	34,922	28,808
Contribution to defined contribution plan - provident fund	53,397	46,191
Short term loan repaid during the period	50,000	-

Balances as at the period / year end:

- Trade debts	351	* 325
- Advance for capital expenditure	626,820	* 626,820

Transactions with key management personnel

Remuneration and allowances including staff retirement benefits	421,844	421,422
Loan from key management personnel during the period	-	141,000
Loan settlement to key management personnel during the period	664,070	8,401
Advance remuneration and other receivables	26,809	-

* Represents balances as at 30 June 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

22.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Amortized cost	Financial Liabilities Amortized cost					
31 March 2024									
Financial assets measured at fair value									
Shares of listed Companies	14	10,694	-	-	10,694	10,694	-	-	10,694
Long term deposits		17,750	-	-	17,750	-	-	17,750	17,750
Short term deposits		61,380	-	-	61,380	-	-	61,380	61,380
		89,824	-	-	89,824	10,694	-	79,130	89,824
Financial assets not measured at fair value	22.2								
Trade debts		-	1,071,390	-	1,071,390	-	-	-	-
Contract assets		-	14,015	-	14,015	-	-	-	-
Advance to employees		-	83,006	-	83,006	-	-	-	-
Other receivables		-	429,128	-	429,128	-	-	-	-
Short term investments	14	-	715,952	-	715,952	-	-	-	-
Accrued interest		-	8,609	-	8,609	-	-	-	-
Cash and bank balances		-	388,325	-	388,325	-	-	-	-
		-	2,710,425	-	2,710,425	-	-	-	-
Financial liabilities not measured at fair value	22.2								
Loans and borrowings	5	-	-	9,416,055	9,416,055	-	-	-	-
Other non-current liabilities		-	-	207,160	207,160	-	-	-	-
Short term borrowings	7	-	-	2,067,088	2,067,088	-	-	-	-
Lease liabilities	6	-	-	317,047	317,047	-	-	-	-
Trade and other payables	22.3	-	-	3,379,455	3,379,455	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	15,397,575	15,397,575	-	-	-	-

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Fair value through OCI	Amortized cost					
30 June 2023									
Financial assets measured at fair value									
Short term investments	14	6,821	-	-	6,821	6,821	-	-	6,821
Long term investment		-	689,718	-	689,718	-	689,718	-	689,718
Long term deposits		50,026	-	-	50,026	-	-	-	-
Short term deposits		22,018	-	-	22,018	-	-	-	-
		78,865	689,718	-	768,583	6,821	689,718	-	696,539
Financial assets not measured at fair value	21.2								
Trade debts		-	987,640	-	987,640	-	-	-	-
Contract assets		-	20,620	-	20,620	-	-	-	-
Advance to employees		-	29,583	-	29,583	-	-	-	-
Other receivables		-	184,946	-	184,946	-	-	-	-
Short term investments	14	-	716,282	-	716,282	-	-	-	-
Accrued interest		-	3,703	-	3,703	-	-	-	-
Cash and bank balances		-	387,029	-	387,029	-	-	-	-
		-	2,329,803	-	2,329,803	-	-	-	-
Financial liabilities not measured at fair value	21.2								
Loans and borrowings	5	-	-	12,644,413	12,644,413	-	-	-	-
Other non-current liabilities		-	-	141,960	141,960	-	-	-	-
Short term borrowings	7	-	-	2,576,960	2,576,960	-	-	-	-
Lease liabilities	6	-	-	400,070	400,070	-	-	-	-
Trade and other payables	21.3	-	-	3,374,759	3,374,759	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		-	-	19,148,932	19,148,932	-	-	-	-

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months period ended 31 March 2024

- 22.2 The Group has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.
- 22.3 It excludes, federal excise duty, bed tax and sales tax payable, banquet / beverage tax, unearned income and income tax deducted at source.
- 23 DATE OF AUTHORISATION FOR ISSUE
- 23.1 These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company in its meeting held on 26 April, 2024.



Bastien Paul Emile Blanc
Chief Executive Officer



Shakir Abu Bakar
Director



Tahir Mahmood
Chief Financial Officer



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OWNERS AND OPERATORS OF

