

Gwadar – Pakistan



# Condensed Interim Financial Statements

FOR THE NINE MONTHS PERIOD ENDED 31 March 2021



Pearl-Continental Hotel, Bhurban



Pearl-Continental  
HOTELS & RESORTS

# CONDENSED INTERIM FINANCIAL STATEMENTS [UNAUDITED]

For the nine months period ended 31 March 2021



PAKISTAN SERVICES LTD

## Vision Statement

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

## Mission Statement

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

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

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

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

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

**CORPORATE INFORMATION**

Pearl Continental Hotels, a chain owned, operated and franchised by Pakistan Services Limited, sets the international standards for quality hotel accommodation across Pakistan and AJ&K and manages 7 luxury hotels in Karachi, Lahore, Rawalpindi, Peshawar, Bhurban, Muzaffarabad and Malam Jabba comprising 1,543 rooms. It also owns another small hotel with 32 rooms in Lahore city.

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mr. Mansoor Khan

**AUDITORS**

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

**LEGAL ADVISOR**

M/s Liaquat Merchant & Associates

**AUDIT COMMITTEE**

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

**BANKERS**

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

**HUMAN RESOURCE & REMUNERATION****COMMITTEE**

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

**NOMINATION COMMITTEE**

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

**RISK MANAGEMENT COMMITTEE**

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

**REGISTERED OFFICE**

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

**CHIEF FINANCIAL OFFICER**

Mr. Tahir Mahmood

**SHARE REGISTRAR**

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

# Directors' Report

## Dear Members,

The Board of Directors of Pakistan Services Limited (PSL) presents the condensed interim financial statements on the performance of the Company for the nine-month period, ended 31 March 2021.

## Economic Overview

The world was struggling to come out of effects of COVID-19's second wave on very positive note with supply of COVID-19 vaccine but suddenly third wave hit the globe with its novel variants being coming into existence across continents. Though the worldwide vaccination is underway, there is need to speed up the vaccine rollout as the virus still affecting the economies and the livelihood of people around the world besides need of further medical research for treatment of variants of Corona Virus.

The Corona Virus developed a lethal UK variant caused the severe spike in corona cases in most cities of Pakistan thus posing risk to recovery of already fragile economy. Govt of Pakistan with its pro-active approach had been successful in its preparedness in terms of Personal Protective Equipment and medical equipment required for treatment of COVID-19 patient. The free vaccination program started by Govt of Pakistan targeting first senior citizens believe to be most vulnerable segment of society toward COVID-19 is under way. Govt is using every medium to educate the people to exercise the precautionary measures to contain and limit spread of this virus.

Prospects of growth of economy at home are showing visible signs of improvement with healthy exports, increase in foreign reserve and reduction in current account deficit. The construction industry, IT and Car manufacturing has shown very positive growth. However, the third wave hit the Hospitality, Tourism and Travel Industry again and the business activity in this industry are at its minimal capacity. Besides the pandemic, government is also facing challenges under International Monetary Fund (IMF) program toward implementation of tax and energy reforms being integral part of IMF program aimed at bringing down a very high public debt and making power sector financially viable as power sector become a micro critical issue and a lack of financial stability in the sector is affecting the economy.

## Overall performance of the Company

The Company is also passing through this challenging business environment in wake of pandemic COVID-19 virus which has affected the tourism/hospitality industry the most resulting in substantial decrease in hospitality business. The Company adopted cost efficiency approach and managed to bring the costs at minimum level in efforts to confine the further dilution in the bottom line.

During the nine-months period ended 31 March 2021, the Company recorded revenue [net] of Rs. 5,407 million, as compared to Rs. 7,840 million recorded in the corresponding period of the last year whereas the gross profit for the period under report was registered at Rs. 1,775 million as compared to Rs. 3,194 million of comparative period of the last year. The loss before tax is Rs. 261 million as compared to loss of Rs. 304 million of corresponding period of last year.

## Highlights of Performance:

	For the nine months' period ended 31 March	
	2021	2020
	[Rupees million]	
Sales and Services – net	5,407	7,840
Gross profit	1,775	3,194
Loss before taxation	(261)	(304)
Loss after taxation	(178)	(512)
Loss per share [Rupees]	(5.48)	(15.74)

### Performance of Rooms Department

During the period Rooms Revenue-net was recorded at Rs. 2,248 million as against Rs. 3,567 million of the corresponding period of last year.

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

Net revenue from this segment has been recorded at Rs. 2,784 million as compared to Rs. 3,881 million of same period last year.

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

From this segment of business Revenue of Rs. 375 million (net) has been achieved as compared to Rs. 392 million of the comparative period revenues.

### Prospects

The expectations of economic recovery are strengthening on the basis of improvement in business confidence as evident from growth in Agriculture and industrial sectors and as soon as the third wave of pandemic is over, a robust in economy is expected with growth in every sector. The government's timely measures combined with the observance of SOPs by the general public alongside country wide vaccination will be helpful in containing Covid 19 pandemic leading to continuation of economic recovery and decelerating inflationary pressure.

The Company foresees great opportunities in hospitality business in post COVID-19 scenario and is fully cognizant to tap those prospects with its unparalleled experience coupled with unmatched service standards.

### State Bank of Pakistan Regulatory Relief

In purview of prevailing pandemic and in line with the Regulatory Relief extended by SBP and in view of restricted business environment resulting into stressed cash flows, the Company approached its lenders for restructuring of long-term loans and has successfully restructured its loans and simultaneously evolved a plan to dispose-off its certain assets under its light asset strategy which is expected to address the stressed cash flow position.

### Consolidated Results

During the current period, the group recorded a revenue (net) of Rs. 5,536 million as compared to Rs. 7,893 million of the same period last year. Loss after taxation is recorded at Rs. 251 million in comparison with loss of Rs. 688 million of the corresponding period of the previous year.

### Acknowledgement

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

For and on behalf of the Board of Directors,



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director

Islamabad: 26 April 2021

## ڈائریکٹرز رپورٹ

محترم حصص داران:

پاکستان سروسز لمیٹڈ (پبلیس ایل) کے بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی نو ماہی مدت میں کمپنی کی کارکردگی اور مالیاتی معلومات کا عبوری خلاصہ پیش کر رہے ہیں۔

اقتصادی جائزہ:

اچھی دنیا Covid-19 کی دوسری لہر کی سنگینیوں کا مقابلہ Covid-19 کی ویکسین کی رسید میں بڑھوتی اور بہت مثبت انداز میں کر رہی تھی کہ Covid-19 کی تیسری لہر نے ایک نئی قسم کے ساتھ اچانک ہی دنیا کو اپنی لپیٹ میں لے لیا۔ اگرچہ دنیا بھر میں ویکسینیشن کا عمل جاری ہے جس کو مزید تیز کرنے کی ضرورت ہے کیونکہ وائرس کی وجہ سے دنیا بھر میں معیشت اور انسانی زندگیوں میں متاثر ہو رہی ہیں۔ طبی میدان میں اس وائرس کے علاج کے لئے مزید تحقیق کی ضرورت ہے۔

برطانیہ سے آئے ہوئے کرونا وائرس نے ایک نئی اور بہت ہی مہلک شکل اختیار کر لی ہے جس کی وجہ سے پاکستان کے اکثر شہروں میں کرونا کے مثبت کیسز میں تیزی سے اضافہ ہو رہا ہے اور پہلے سے کمزور معیشت کی بحالی خطرات کا شکار ہے۔ اچھی حکومت پاکستان اپنی مثبت حکمت عملی اور کمزور خطرات سے نمٹنے کے پیش نظر حفاظتی طبی سامان اور ادویات کی فراوانی میں کامیاب رہی ہے، اسی ضمن میں پہلے مرحلے میں بزرگ شہریوں کو جن کو Covid-19 کے مہلک اثرات کا زیادہ خطرہ ہے مفت ویکسین لگانے کا عمل جاری ہے جبکہ دائرہ کار بڑھایا جا رہا ہے۔ حکومت احتیاطی تدابیر اور عوام کو اس وائرس سے بچاؤ سے آگاہی کے لئے تمام ذرائع استعمال کر رہی ہے۔

ملکی معیشت میں برآمدات، غیر ملکی ذخائر میں اضافے اور کرنٹ اکاؤنٹ خسارے میں کمی کی بنا پر بہتری کے واضح آثار ہیں۔ تعمیرات، آٹوموبائلز اور آئی۔ ٹی کی صنعت میں بھی بہتری آئی ہے۔ جبکہ کرونا وائرس کی تیسری لہر نے ٹورزم انڈسٹری کو دوبارہ متاثر کیا ہے اور اس شعبہ میں کاروباری سرگرمیاں محدود ہیں۔ اس وبا کی مرض کے علاوہ حکومت کو آئی۔ ایم۔ ایف کی طرف سے بھی چیلنجز کا سامنا ہے جس میں ٹیکس اور توانائی کے شعبے میں اصلاحات شامل ہیں جو کہ آئی۔ ایم۔ ایف پروگرام کا بنیادی جز ہے جس کا مقصد عوامی قرضہ جات میں کمی اور توانائی کے شعبے کو جو کہ معیشت کا انتہائی اہم جز ہے معاشی طور پر مستحکم بنانا ہے۔

کمپنی کی مجموعی کارکردگی:

زیر جائزہ مدت کے دوران کمپنی کے کاروباری صورتحال Covid-19 جس نے سیاحتی شعبے کو کافی متاثر کیا ہے کی وجہ سے کافی متاثر ہوئی ہے۔ کمپنی نے اخراجات میں کنٹرول کی پالیسی کے تحت مزید نقصان میں کمی کی ہے۔

31 مارچ 2021 کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی نے 5,407 ملین روپے کی محصولات (خالص) ریکارڈ کیے ہیں جو گزشتہ سال کے اسی عرصے کے دوران 7,840 ملین روپے تھے۔ کمپنی کا مجموعی منافع 1,775 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے میں 3,194 ملین روپے تھا۔ قبل از ٹیکس خسارہ گزشتہ برس کے اسی عرصے کے 304 ملین خسارے کے مقابلے میں 261 ملین روپے ریکارڈ کیا گیا۔

کارکردگی کی جھلکیاں:

	نو ماہی مدت اختتام 31 مارچ 2021	
	2021	2020
	(ملین روپے)	
فروخت اور خدمات (خالص)	5,407	7,840
کل منافع	1,775	3,194
خسارہ قبل از ٹیکس	(261)	(304)
خسارہ بعد از ٹیکس	(178)	(512)
فی حصہ (خسارہ) / آمدنی (روپے میں)	(5.48)	(15.74)

رومز ڈیپارٹمنٹ کی کارکردگی:

اس عرصہ کے دوران گزشتہ سال کے اسی عرصہ کے 3,567 ملین روپے کی نسبت آمدنی (خالص) 2,248 ملین روپے ریکارڈ کی گئی۔

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

اس شعبے کی خالص آمدن 2,784 ملین روپے ریکارڈ کی گئی جو گزشتہ سال اسی عرصہ کے مقابلے میں 3,881 ملین روپے تھی۔

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

اس شعبے میں زیر جائزہ عرصہ کے دوران میں 375 ملین روپے کی آمدنی (خالص) حاصل کی گئی۔ جو گزشتہ برس کے اسی عرصہ کے مقابلے میں 392 ملین روپے تھی۔

مستقبل کے امکانات:

کر ونا وائرس کی تیسری لہر میں خاتمہ کے ساتھ صنعتی اور زرعی شعبے میں ترقی کی بنا پر معاشی بحالی کی توقع کی جا رہی ہے۔ حکومت کے بروقت اقدامات اور عوام کے ایس۔او۔ بیز پر عمل کرنے کے ساتھ ساتھ ملک بھر میں ویکسینیشن کا عمل Covid-19 پر قابو پانے کے لئے موثر ثابت ہوگا جس کے نتیجے میں معاشی بحالی اور افراط زر میں بہتری آئے گی۔

کینی Covid-19 کے بعد سیاحتی شعبے میں سرگرمیوں میں اضافے کی توقع کر رہی ہے اور اپنے بے مثال تجربے اور بہترین خدمات کے ذریعے ان سرگرمیوں سے بھرپور استفادہ کرنے کی صلاحیت رکھتی ہے۔

اسٹیٹ بینک آف پاکستان ریگولیٹری ریلیف:

اسٹیٹ بینک آف پاکستان کے ریگولیٹری ریلیف کے تحت کینی نے کیش فلوڈ باؤ کو کم کرنے کیلئے اپنے مالیاتی اداروں سے اپنے طویل مدتی قرضہ جات کی تنظیم نو کے لئے رجوع کیا جس کے نتیجے میں اپنے کچھ اثاثہ جات کو بیچنے کی حکمت عملی طے پائی تاکہ کیش فلوڈ کے دباؤ کو بہتر کیا جاسکے۔

مجموعی نتائج:

زیر جائزہ عرصہ کے دوران گروپ نے 5,536 ملین روپے کے محصولات (خالص) ریکارڈ کئے جو گزشتہ سال اسی عرصہ میں 7,893 ملین روپے تھے۔ گزشتہ برس کے 688 ملین روپے بعد از ٹیکس خسارہ کی نسبت موجودہ عرصہ میں 251 ملین روپے خسارہ ریکارڈ کیا گیا۔

اظہار تشکر:

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

منجانب بورڈ آف ڈائریکٹرز



شاکر ابوبکر  
ڈائریکٹر



ایم۔ اے باوانی  
ڈائریکٹر

اسلام آباد 26 اپریل 2021



Pearl-Continental Hotel, Karachi



**CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the nine months period ended 31 March 2021

# Condensed Interim Unconsolidated Statement of Financial Position

As at 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		269,424	269,424
Revenue reserves		4,909,281	5,087,599
Revaluation surplus on property, plant and equipment		29,243,030	29,243,030
<b>Total equity</b>		<b>34,746,977</b>	<b>34,925,295</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	13,688,163	9,325,615
Lease liabilities	6	141,680	210,697
Deferred government grant		32,474	30,148
Employee benefits		679,419	735,246
Deferred tax liability - net		50,822	239,465
Other non current liabilities		35,304	-
<b>Non - current liabilities</b>		<b>14,627,862</b>	<b>10,541,171</b>
Short term borrowings	7	2,565,191	2,807,284
Current portion of loans and borrowings	5	806,164	4,525,870
Current portion of lease liabilities	6	86,238	104,785
Trade and other payables	8	2,024,024	2,178,062
Contract liabilities		542,121	403,933
Advance against non-current assets held for sale	15	200,000	12,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>6,234,508</b>	<b>10,042,704</b>
<b>Total equity and liabilities</b>		<b>55,609,347</b>	<b>55,509,170</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

	Note	Unaudited 31 March 2021 [Rupees'000]	Audited 30 June 2020
<b>ASSETS</b>			
Property, plant and equipment	10	43,272,690	43,738,846
Intangible asset	11	83,683	-
Advance for capital expenditure	12	1,310,741	1,338,170
Investment property		65,000	65,000
Long term investments		1,037,794	1,037,794
Advance against equity investment	13	3,335,571	3,412,571
Long term deposits and prepayments		33,016	33,657
<b>Non - current assets</b>		<b>49,138,495</b>	<b>49,626,038</b>
Inventories		364,852	289,712
Trade debts		379,779	195,492
Contract assets		15,066	3,578
Advances, prepayments, trade deposits and other receivables		354,173	371,355
Short term investments	14	1,315,782	1,273,816
Assets held for sale	15	3,203,853	2,908,739
Advance tax - net		465,109	481,238
Cash and bank balances		372,238	359,202
<b>Current assets</b>		<b>6,470,852</b>	<b>5,883,132</b>
<b>Total assets</b>		<b>55,609,347</b>	<b>55,509,170</b>



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

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

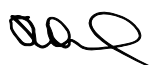
For the nine months period ended 31 March 2021

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2021	2020	2021	2020
[Rupees'000]					
Revenue - net	16	2,151,140	2,459,558	5,406,591	7,840,187
Cost of sales and services	17	[1,368,191]	[1,445,848]	[3,631,986]	[4,646,474]
<b>Gross profit</b>		<b>782,949</b>	<b>1,013,710</b>	<b>1,774,605</b>	<b>3,193,713</b>
Other income		93,668	47,544	321,512	140,484
Administrative expenses		[532,351]	[737,261]	[1,497,289]	[2,383,345]
[Impairment]/ reversal loss on trade debts		3,556	[49,010]	[35,555]	[38,480]
<b>Operating profit</b>		<b>347,822</b>	<b>274,983</b>	<b>563,273</b>	<b>912,372</b>
Finance income		65,581	68,363	86,510	146,681
Unrealised gain on remeasurement of investments to fair value - net		[46,375]	[275,263]	46,782	[151,674]
Finance cost		[260,346]	[435,948]	[957,175]	[1,211,364]
<b>Net finance cost</b>		<b>[241,140]</b>	<b>[642,848]</b>	<b>[823,883]</b>	<b>[1,216,357]</b>
<b>Profit/ [Loss] before taxation</b>		<b>106,682</b>	<b>[367,865]</b>	<b>[260,610]</b>	<b>[303,985]</b>
Income tax expense		14,689	[53,856]	82,292	[207,916]
<b>Profit/[Loss] for the period</b>		<b>121,371</b>	<b>[421,721]</b>	<b>[178,318]</b>	<b>[511,901]</b>
Earning/[Loss] per share - basic and diluted [Rupees]	18	3.73	[12.97]	[5.48]	[15.74]

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

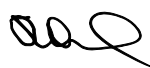
For the nine months period ended 31 March 2021

	Three months period ended 31 March		Nine months period ended 31 March	
	2021	2020	2021	2020
	[Rupees'000]			
Profit/(Loss) for the period	121,371	(421,721)	(178,318)	(511,901)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period - [loss]	121,371	(421,721)	(178,318)	(511,901)

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

# Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the nine months period ended 31 March 2021

	Note	31 March 2021	31 March 2020
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	19	1,437,323	1,842,039
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Inventories		[75,140]	[33,351]
Trade debts		[219,842]	[122,439]
Contract assets		[11,488]	21,221
Advances		[6,930]	5,596
Trade deposits and prepayments		6,148	[40,524]
Other receivables		70,662	[25,139]
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		[365,866]	906,361
Non current liabilities		21,506	-
Contract liabilities		138,188	40,618
<b>Cash (used in) / generated from operations</b>		<b>[442,762]</b>	<b>752,343</b>
Staff retirement benefit - gratuity paid		[67,616]	[35,646]
Compensated leave absences paid		[42,673]	[17,142]
Income tax paid		[90,221]	[193,687]
Finance cost paid		[256,431]	[1,753,974]
<b>Net cash generated from operating activities</b>		<b>537,620</b>	<b>593,933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		[594,668]	[2,111,024]
Advance for capital expenditure		[28,668]	32,085
Payment for Intangible asset		[35,903]	-
Proceeds from disposal of property, plant and equipment		53,496	16,941
Refund against equity investment		77,000	-
Refund against short term advance		-	484,500
Maturity of short term investment		-	444,000
Advance against asset held for sale		200,000	-
Proceed from asset held for sale		149,136	-
Dividend income received		-	225
Receipts of return on bank deposits and short term investments		39,364	94,787
Long term deposits and prepayments		641	[2,007]
<b>Net cash used in investing activities</b>		<b>[139,602]</b>	<b>[1,040,493]</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		[100,000]	[1,083,333]
Proceeds from long term financing		29,136	-
Proceed from short term loan		-	170,000
Lease liabilities paid		[87,564]	[85,557]
Repayment of loan to director		[150,000]	-
Transaction cost paid		[8,200]	-
<b>Net cash used in financing activities</b>		<b>[316,628]</b>	<b>[998,890]</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>81,390</b>	<b>[1,445,450]</b>
Cash and cash equivalents at beginning of the period		[2,228,578]	[1,003,341]
Cash and cash equivalents at end of the period	20	[2,147,188]	[2,448,791]

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

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

For the nine months period ended 31 March 2021

	Capital reserve		Revenue reserves		Total equity	
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Unappropriated profit
	[Rupees'000]					
<b>Balance at 01 July 2019</b>	325,242	269,424	27,530,740	1,600,000	5,179,566	34,904,972
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(511,901)	(511,901)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period - [loss]</b>	-	-	-	-	(511,901)	(511,901)
<b>Balance at 31 March 2020</b>	325,242	269,424	27,530,740	1,600,000	4,667,665	34,393,071
<b>Balance at 01 July 2020</b>	325,242	269,424	29,243,030	1,600,000	3,487,599	34,925,295
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(178,318)	(178,318)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period - [loss]</b>	-	-	-	-	(178,318)	(178,318)
<b>Balance at 31 March 2021</b>	325,242	269,424	29,243,030	1,600,000	3,309,281	34,746,977

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



**M.A. Bawany**  
Director



**Shakir Abu Bakar**  
Director



**Tahir Mahmood**  
Chief Financial Officer

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

For the nine months period ended 31 March 2021

## 1 THE COMPANY AND ITS OPERATIONS

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

The 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.

The Company has incurred a net loss after tax of Rs. 178,318 thousand during the Nine months period ended 31 March 2021 and, as at that date, current assets exceeded current liabilities by Rs. 236,344 thousand. Further, as explained in note 24, during the period the Company’s operations continued to be affected by COVID-19 outbreak.

Management expects the situation to improve in subsequent period and is confident that operating cash flows will be adequate to fulfill obligations when due.

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.

## 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

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

For the nine months period ended 31 March 2021

the annual audited unconsolidated financial statements for the year ended 30 June 2020. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2020, 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 2020.

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

## 3 ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020. However during the period, the Company has acquired intangible assets and has adopted the following accounting policy:

#### 3.1.1 During the period the Company recognized an Intangible asset on account of new software implementation cost.

Intangible asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditures only be capitalized when it increases the future economic benefits embodied in the Intangible asset.

Amortization is calculated to write of the cost of Intangible asset less their estimated residual values using the diminishing balance method over the useful life on monthly basis and is recognized in profit or loss.

Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

### 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 2020.

#### Measurement of fair values

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

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

For the nine months period ended 31 March 2021

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

Significant valuation issues are reported to the Board.

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

Level 1: quoted prices [unadjusted] in active markets for identical assets or liabilities.

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

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

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

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

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

The following International Financial Reporting Standards [IFRS Standards] as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021 :

- Amendments to IFRS 16: Leases	[effective 01 June 2021]
- Amendments to IFRS 7: Financial Instruments- disclosures	[effective 01 January 2021]
- Amendments to IFRS 9: Financial Instruments	[effective 01 June 2021]
- Annual improvement 2018-2020 , IFRS-9, IFRS-16, IAS-41	[effective 01 January 2022]

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

## 4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Company from 30 June 2020.

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

For the nine months period ended 31 March 2021

5 LOANS AND BORROWINGS - Secured	Note	Unaudited 31 March 2021	Audited 30 June 2020
		[Rupees'000]	
<b>a. Non current portion</b>			
Term Finance Loan - 1	5.2	548,212	552,500
Term Finance Loan - 2	5.2	1,706,650	1,720,000
Term Finance Loan - 3	5.3	1,984,476	2,000,000
Term Finance Loan - 4	5.4	1,984,476	2,000,000
Sukuk	5.5	6,559,797	6,611,111
Term Finance Loan - 5	5.6	374,251	347,441
Transaction cost		(41,462)	(33,262)
		<b>13,116,400</b>	<b>13,197,790</b>
Current portion of loans		<b>(368,736)</b>	<b>(3,872,175)</b>
		<b>12,747,664</b>	<b>9,325,615</b>
Markup accrued	5.7	940,499	-
		<b>13,688,163</b>	<b>9,325,615</b>
<b>b. Current portion</b>			
Current portion of loans		<b>368,736</b>	<b>3,872,175</b>
Markup accrued		<b>437,428</b>	<b>653,695</b>
		<b>806,164</b>	<b>4,525,870</b>

- 5.1 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2020 except as disclosed in following notes:
- 5.2 These loans have been restructured for seven years with grace period of two years, with effective date of 01 April 2020.
- 5.3 This loan has been restructured for seven years with grace period of two years with effective date of 23 May 2020.
- 5.4 This loan has been restructured for five years with grace period of two years with effective date of 31 March 2020.
- 5.5 This loan has been restructured for seven years with grace period of two years with effective date of 14 September 2020.
- 5.6 During the period the Company availed remaining amount of Rs. 29.137 million out of total facility limit of Rs. 406.726 million , under State Bank of Pakistan (SBP) Refinance Scheme for payment of wages and salaries to the workers.
- 5.7 This represents portion of deferred markup upon restructuring of long term loans.

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

For the nine months period ended 31 March 2021

6 LEASE LIABILITIES	Note	Unaudited	Audited
		31 March 2021	30 June 2020
		[Rupees'000']	
Opening		315,482	377,700
Additions during the period/ year		-	73,396
Lease payments		[87,564]	[78,235]
Lease modification		-	[57,379]
Closing		227,918	315,482
Current portion		86,238	104,785
Non-current portion		141,680	210,697
<b>7 SHORT TERM BORROWINGS - secured</b>			
Running finance facilities - banking companies	7.1	2,518,581	2,587,186
Short term loan - unsecured		-	150,000
Markup accrued		46,610	70,098
		2,565,191	2,807,284

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 2020.

8 TRADE AND OTHER PAYABLES	Note	Unaudited	Audited
		31 March 2021	30 June 2020
		[Rupees'000']	
Creditors		825,328	945,491
Accrued liabilities		572,227	648,345
Shop deposits		49,365	54,026
Retention money		208,787	223,478
Due to related parties - unsecured		43,640	45,455
Sales tax payable		88,969	75,576
Income tax deducted at source		1,132	1,409
Unearned income		15,270	49,900
Other liabilities	8.1	219,306	134,382
		2,024,024	2,178,062

8.1 This includes amount of Rs. 63.908 [30 June 2020: Rs. 20.548] million payable to directors, and Rs. 58.278 million [30 June 2020: Nil] on account of software fee.

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

For the nine months period ended 31 March 2021

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

9.1.1 There is no change in the contingent liabilities as reported in the annual audited unconsolidated financial statements for the year ended 30 June 2020 except for the following:

	Note	Unaudited 31 March 2021 [Rupees'000]	Audited 30 June 2020
<b>9.1.2 Guarantees</b>		<b>310,342</b>	<b>307,816</b>
<b>9.2 Commitments</b>			
Commitments for capital expenditure		<b>2,608,412</b>	<b>2,684,376</b>
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	10.1	<b>36,346,025</b>	<b>37,059,317</b>
Capital work in progress	10.2	<b>6,926,665</b>	<b>6,679,529</b>
		<b>43,272,690</b>	<b>43,738,846</b>
<b>10.1 Operating fixed assets</b>			
Carrying amount at beginning of the period / year		<b>37,059,317</b>	<b>35,848,499</b>
Impact of adoption of IFRS-16		-	<b>360,222</b>
Additions during the period / year	10.2.2	<b>79,608</b>	<b>438,143</b>
Transfer from Capital work in progress	10.2.2	<b>435,491</b>	<b>678,321</b>
Revaluation surplus		-	<b>1,712,290</b>
Asset classified as held for sale		<b>(455,113)</b>	<b>(160,000)</b>
Disposal during the period / year		<b>(24,979)</b>	<b>(772,787)</b>
Depreciation charge for the period / year	10.2.2	<b>(748,299)</b>	<b>(1,045,371)</b>
Carrying amount at end of the period / year		<b>36,346,025</b>	<b>37,059,317</b>
<b>10.2 Capital work in progress</b>			
Carrying amount at beginning of the period / year		<b>6,679,529</b>	<b>4,613,594</b>
Additions during the period / year		<b>682,627</b>	<b>2,918,818</b>
Transferred to operating fixed assets		<b>(435,491)</b>	<b>(678,321)</b>
Write down adjustment		-	<b>(174,562)</b>
Carrying amount at end of the period / year	10.2.1	<b>6,926,665</b>	<b>6,679,529</b>
<b>10.2.1 Closing capital work in progress represents:</b>			
Construction of Pearl Continental Multan		<b>3,109,124</b>	<b>2,996,222</b>
Construction of Pearl Continental Mirpur		<b>3,531,887</b>	<b>3,371,377</b>
Other civil works		<b>285,654</b>	<b>311,930</b>
		<b>6,926,665</b>	<b>6,679,529</b>

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2020 were Rs. 641.904 million and Rs. 725.475 million respectively.

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

For the nine months period ended 31 March 2021

	Note	Unaudited 31 March 2021	Audited 30 June 2020
		[Rupees'000']	
<b>11 INTANGIBLE ASSET</b>			
Software	11.1	83,683	-
<b>Cost</b>			
Opening balance		-	-
Additions		107,978	-
Closing balance		107,978	-
<b>Accumulated amortisation</b>			
Opening balance		-	-
Amortisation charge		24,295	-
Closing balance		24,295	-
<b>Net book value</b>			
Cost		107,978	-
Accumulated amortisation		(24,295)	-
Closing balance		83,683	-
Amortisation rate per annum		30%	-

11.1 This represents the computer software acquired during the period by the Company, the payment of the software will be made on monthly installments, for which liability is recognized in current and non-current portion amounting to Rs. 58.278 million and 13.798 million respectively.

	Note	Unaudited 31 March 2021	Audited 30 June 2020
		[Rupees'000']	
<b>12 ADVANCE FOR CAPITAL EXPENDITURE</b>			
Advance for purchase of land	12.1	666,820	666,820
Advance for purchase of Malir Delta Land	12.2	381,656	381,656
		1,048,476	1,048,476
Advance for purchase of apartment		40,509	40,509
Impairment loss		(40,509)	(40,509)
		-	-
Advance for purchase of fixed assets		86,588	95,782
Advances for Pearl Continental Multan Project		80,775	92,145
Advances for Pearl Continental Mirpur Project		94,902	101,767
		262,265	289,694
		1,310,741	1,338,170

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

For the nine months period ended 31 March 2021

12.1 This includes amount of Rs. 626.82 million (30 June 2020: Rs. 626.82 million) paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar. During the previous year, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated company' and also directed the Company to place the matter before the shareholders of the Company in the forthcoming general meeting to seek their approvals in terms of section 199 of the Companies Act, 2017. The directors of the Company has filed an appeal with the SECP which is pending. Management believes that the matter has no impact on the Company's financial statements.

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 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.

## 13 ADVANCE AGAINST EQUITY INVESTMENT

This represents advance against equity investment of Rs. 2,381.57 million and Rs. 954 million extended by the Company to its wholly owned subsidiary companies City Properties (Private) Limited and Elite Properties (Private) Limited respectively.

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

For the nine months period ended 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	(Rupees'000')	
<b>14 SHORT TERM INVESTMENTS</b>			
<i>Amortized cost</i>			
Certificate of investments		5,300	5,300
Impairment loss		(5,300)	(5,300)
		-	-
<i>Fair value through other comprehensive income</i>			
National Technology Development Corporation Limited		200	200
Indus Valley Solvent Oil Extraction Limited		500	500
Impairment loss		(700)	(700)
		-	-
<i>Amortized cost</i>			
Term deposit receipt		565,523	565,523
Term Finance certificate		75,000	75,000
Accrued interest		5,755	10,571
		646,278	651,094
<i>Financial assets at fair value through profit or loss</i>			
Shares of listed Companies	14.1	669,504	622,722
		<b>1,315,782</b>	<b>1,273,816</b>

14.1 This mainly includes investment in an associated company having carrying value of Rs. 662.493 million [30 June 2020 : Rs. 617.323 million].

14.1.1 Out of total shares 15,056,661 held by the Company in Jubilee General Insurance Company Limited—an associated company, 13,500,000 [30 June 2020: 13,500,000] ordinary shares are placed / lien marked as security against running finance facility of the Company.

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	(Rupees'000')	
<b>15 NON CURRENT ASSET HELD FOR SALE</b>			
Properties			
Land	15.1	3,203,853	2,748,739
		-	160,000
		<b>3,203,853</b>	<b>2,908,739</b>

15.1 During the period the Board approved the disposal of commercial property bearing No.S-19R-136/I having book value of Rs.455.113 million, amount of Rs. 200 million has been received against disposal of this property, and management expects to complete the sale transaction in near future.

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

For the nine months period ended 31 March 2021

16 REVENUE - NET	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2021	2020	2021	2020
		[Rupees'000']			
Rooms		1,065,085	1,260,037	2,662,763	4,191,992
Food and beverages		1,305,843	1,471,317	3,269,661	4,520,460
Other related services	16.1	147,176	147,614	434,425	453,758
Shop license fees		11,028	11,338	31,509	34,254
		<u>2,529,132</u>	<u>2,890,306</u>	<u>6,398,358</u>	<u>9,200,464</u>
Discounts and commissions		(47,684)	(43,494)	(127,057)	(123,122)
Sales tax		(330,308)	(387,254)	(864,710)	(1,237,155)
		<u>2,151,140</u>	<u>2,459,558</u>	<u>5,406,591</u>	<u>7,840,187</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	
	2021	2020	2021	2020
	[Rupees'000']			
<b>Food and beverages</b>				
Opening balance	95,881	98,157	68,592	86,229
Purchases during the year	428,893	426,162	1,103,283	1,274,773
Closing balance	(104,452)	(108,338)	(104,452)	(108,338)
Consumption during the year	<u>420,322</u>	<u>415,981</u>	<u>1,067,423</u>	<u>1,252,664</u>
<b>Direct expenses</b>				
Salaries, wages and benefits	310,280	385,641	796,055	1,271,672
Heat, light and power	183,688	169,716	518,453	670,015
Repair and maintenance	70,382	94,747	190,183	268,717
Depreciation	205,350	217,737	620,984	652,927
Amortization	7,288	-	21,865	-
Guest supplies	59,058	51,673	140,505	172,876
Linen, china and glassware	25,456	21,353	51,692	70,822
Communication and other related services	14,891	19,078	41,257	55,759
Banquet and decoration	14,467	14,045	26,254	45,217
Transportation	9,740	12,862	18,279	43,126
Uniforms	3,378	4,787	10,017	16,734
Music and entertainment	3,365	4,906	8,688	13,289
Others	40,526	33,322	120,331	112,656
	<u>1,368,191</u>	<u>1,445,848</u>	<u>3,631,986</u>	<u>4,646,474</u>

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

For the nine months period ended 31 March 2021

	Three months period ended 31 March		Nine months period ended 31 March	
	2021	2020	2021	2020
<b>18 EARNINGS / [LOSS] PER SHARE</b>	[Rupees'000]			
Profit / [loss] for the period [Rupees '000]	121,371	[421,721]	[178,318]	[511,901]
Weighted average number of ordinary shares [Numbers]	32,524,170	32,524,170	32,524,170	32,524,170
Earning / [loss] per share - basic [Rupees]	3.73	[12.97]	[5.48]	[15.74]

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

<b>19 CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>	Nine months period ended 31 March	
	2021	2020
	[Rupees'000]	
Loss before tax	[260,610]	[303,985]
<b>Adjustments for:</b>		
Depreciation	748,299	785,714
Amortization	24,294	-
Gain on disposal of property, plant and equipment	[28,517]	[9,323]
Provision for staff retirement benefit - gratuity	68,321	87,462
Provision for compensated leave absences	28,220	22,258
Impairment loss on trade debts	35,555	38,480
Return on bank deposits / certificate of investments	[34,798]	[100,316]
Finance cost	957,175	1,211,364
Dividend income	[52,698]	[41,289]
Gain on disposal of held for sale asset	[1,136]	-
Unrealised gain/ [loss] on remeasurement of investments to fair value	[46,782]	151,674
	<b>1,437,323</b>	<b>1,842,039</b>
<b>20 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	372,238	148,212
Short term borrowings	[2,565,191]	[2,677,581]
Accrued markup on short term borrowings	46,610	81,468
Accrued profit on bank deposits	[845]	[890]
	<b>[2,147,188]</b>	<b>[2,448,791]</b>

## 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 2021

Nine months period ended  
31 March

2021      2020  
[Rupees'000]

## Transactions with subsidiary companies

Sales	1,395	2,643
Services provided	3,661	7,024
Services availed	35,034	68,579
Refund against short term advance	-	484,500
Refund of Advance against equity investment	77,000	-

## Balances as at the period end:

- Trade debts	3,217	*3,680
- Long term investments	1,037,794	* 1,037,794

## Transactions with associated undertakings

Sales	226	139
Services provided	2,940	4,630
Services availed	184,997	273,420
Purchases	74,681	100,644
Franchise fee - income	2,608	3,099
Franchise and management fee - expense	4,530	6,727
Dividend income	52,698	41,064

## Balances as at the period end:

- Trade debts	5,503	*6,132
- Advances, deposits and prepayments	29,253	*38,015
- Dividend receivable	52,698	-

## Transactions with other related parties

Sales	619	663
Services provided	417	18
Services availed	18,019	-
Purchases	4,223	776
Contribution to defined contribution plan - provident fund	31,803	44,737
Purchase of Fixed asset	35,803	-

## Balances as at the period end:

- Trade debts	532	*164
- Advance for capital expenditure	626,820	*626,820

## Transactions with key management personnel

Remuneration and allowances including staff retirement benefits	111,942	151,732
Loan during the period from key management personnel	-	170,000
Loan from key management personnel - balance	-	* 150,000
Refund of loan to key management personnel	150,000	-
Payable to key management personnel	63,908	20,548

\* Represents balances as at 30 June 2020.

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

For the nine months period ended 31 March 2021

## 22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 22.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Amount in Rs'000			Total	Level 1	Level 2	Level 3	Total
		Financial Assets Fair value through profit or loss	Amortized cost	Financial Liabilities Amortized cost					
<b>31 March 2021</b>									
<b>Financial assets measured at fair value</b>									
Shares of listed Companies	14	669,504	-	-	669,504	669,504	-	-	669,504
Long term deposits		33,016	-	-	33,016	-	-	33,016	33,016
Short term deposits		14,907	-	-	14,907	-	-	14,907	14,907
		<u>717,427</u>	<u>-</u>	<u>-</u>	<u>717,427</u>	<u>669,504</u>	<u>-</u>	<u>47,923</u>	<u>717,427</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	22.2	-	379,779	-	379,779	-	-	-	-
Contract assets		-	15,066	-	15,066	-	-	-	-
Advance to employees		-	5,636	-	5,636	-	-	-	-
Other receivables		-	106,492	-	106,492	-	-	-	-
Short term investments	14	-	640,523	-	640,523	-	-	-	-
Accrued interest		-	6,599	-	6,599	-	-	-	-
Cash and bank balances		-	372,238	-	372,238	-	-	-	-
		<u>-</u>	<u>1,526,333</u>	<u>-</u>	<u>1,526,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	22.2	-	-	14,535,789	14,535,789	-	-	-	-
Short term borrowings	7	-	-	2,565,191	2,565,191	-	-	-	-
Lease liabilities	6	-	-	227,918	227,918	-	-	-	-
Trade and other payables	22.3	-	-	1,918,653	1,918,653	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,258,321</u>	<u>19,258,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2020</b>									
<b>Financial assets measured at fair value</b>									
Short term investments	14	622,722	-	-	622,722	622,722	-	-	622,722
Long term deposits		33,657	-	-	33,657	-	-	33,657	33,657
Short term deposits		14,349	-	-	14,349	-	-	14,349	14,349
		<u>670,728</u>	<u>-</u>	<u>-</u>	<u>670,728</u>	<u>622,722</u>	<u>-</u>	<u>48,006</u>	<u>670,728</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	22.2	-	195,492	-	195,492	-	-	-	-
Contract assets		-	3,578	-	3,578	-	-	-	-
Advance to employees		-	8,903	-	8,903	-	-	-	-
Other receivables		-	83,645	-	83,645	-	-	-	-
Short term investments	14	-	640,523	-	640,523	-	-	-	-
Cash and bank balances		-	359,202	-	359,202	-	-	-	-
		<u>-</u>	<u>1,291,343</u>	<u>-</u>	<u>1,291,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	22.2	-	-	13,884,747	13,884,747	-	-	-	-
Short term borrowings	7	-	-	2,807,284	2,807,284	-	-	-	-
Lease liabilities	6	-	-	315,482	315,482	-	-	-	-
Trade and other payables	22.3	-	-	2,101,077	2,101,077	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,119,360</u>	<u>19,119,360</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 2021

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

## 23 CORRESPONDING FIGURES

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

Description of item	Reclassified from	Reclassified to	Amount (Rupees'000)
Commission on room bookings	Discounts and commissions	Cost of sales - others	72,300
Franchise fee	Administrative expenses	Cost of sales - others	6,727

## 24 IMPACT OF COVID-19 ON THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

The novel coronavirus (COVID-19) emerged in previous year and on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, took stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and locking down cities and regions. The events and conditions resulted in disruption to business operations particularly to businesses in highly exposed sectors including hospitality industry and significant increase in economic uncertainty.

Due to the lockdown and restrictions imposed by the Government of Pakistan, the Company's following hotel properties remained fully/partially closed for operations:

PC Karachi partially closed from 17 March 2020 to 10 August 2020  
 PC Lahore partially closed from 23 March 2020 to 02 August 2020  
 PC Rawalpindi fully closed from 24 March 2020 to 01 July 2020  
 PC Bhurban 19 March 2020 to 10 August 2020  
 PC Muzaffarabad fully closed from 18 March to 12 August 2020  
 Hotel One- The Mall were fully closed from 18 March 2020 to 09 July 2020

The Company's recognized revenue of Rs. 5,406,591 thousand during the nine months period as compared to Rs. 7,840,187 thousand in the corresponding period of previous year. The decline is attributed mainly to temporary close-down of operations. There is no impact of COVID-19 on the carrying amounts of assets and liabilities.

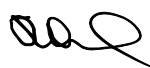
The material uncertainties relating to going concern assumption, including those arising from impacts of COVID-19 along with information relating to management's actions and plans to mitigate adverse financial implications and operational changes are disclosed in Note 1.1.

## 25 DATE OF AUTHORISATION FOR ISSUE

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 2021.



M.A. Bawany  
Director



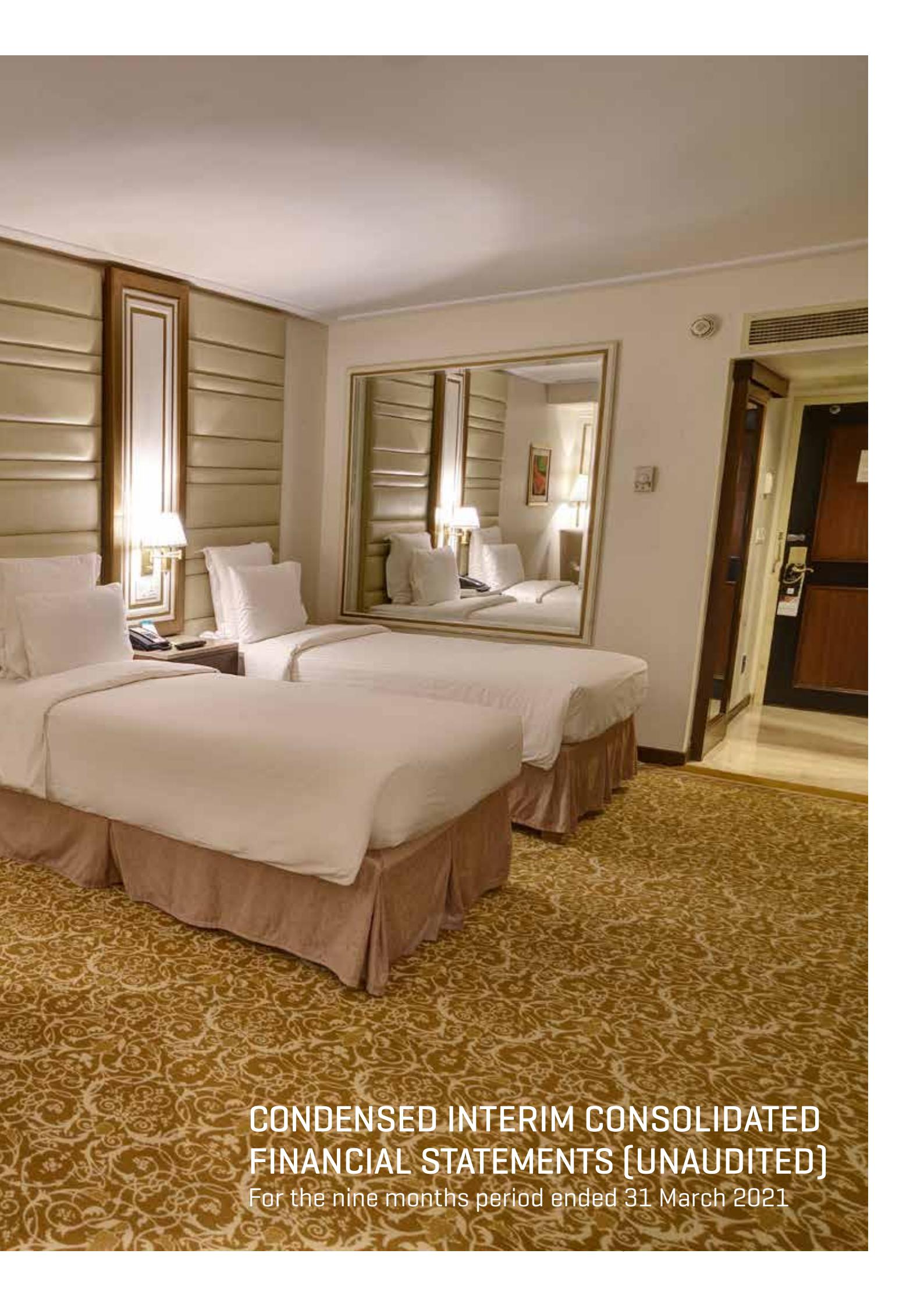
Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer



Pearl-Continental Hotel, Karachi



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS [UNAUDITED]**  
For the nine months period ended 31 March 2021

# Condensed Interim Consolidated Statement of Financial Position

## As at 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000]	
<b>EQUITY</b>			
Share capital	4	325,242	325,242
Capital reserve		416,645	416,645
Revenue reserves		4,210,517	4,420,830
Revaluation surplus on property, plant and equipment		29,243,031	29,243,031
Equity attributable to owners		34,195,435	34,405,748
Non-controlling interest		108,478	79,909
<b>Total equity</b>		<b>34,303,913</b>	<b>34,485,657</b>
<b>LIABILITIES</b>			
Loans and borrowings	5	13,970,064	9,325,615
Lease liabilities	6	147,298	231,313
Deferred government grant		32,474	30,148
Employee benefits		709,909	773,019
Deferred tax liability - net		322,396	511,928
Other non current liabilities		35,304	-
<b>Non - current liabilities</b>		<b>15,217,445</b>	<b>10,872,023</b>
Short term borrowings	7	3,143,448	3,040,614
Current portion of loans and borrowings	5	810,083	4,525,870
Current portion of lease liabilities	6	108,517	127,771
Trade and other payables	8	2,070,163	2,464,373
Contract liabilities		542,121	403,933
Advance against non-current assets held for sale	15	200,000	12,000
Unpaid dividend		1,528	1,528
Unclaimed dividend		9,242	9,242
<b>Current liabilities</b>		<b>6,885,102</b>	<b>10,585,331</b>
<b>Total equity and liabilities</b>		<b>56,406,460</b>	<b>55,943,011</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

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

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000]	
<b>ASSETS</b>			
Property, plant and equipment	10	43,383,522	43,871,165
Intangible asset	11	260,108	160,930
Advance for capital expenditure	12	1,310,741	1,338,170
Investment property		65,000	65,000
Long term investments		662,493	617,323
Advance against equity investment	13	883,339	642,194
Long term deposits and prepayments		33,017	33,657
<b>Non - current assets</b>		<b>46,598,220</b>	<b>46,728,439</b>
Inventories		368,696	291,930
Development properties		3,688,790	3,763,885
Trade debts		391,024	216,551
Contract assets		15,066	3,578
Advances, prepayments, trade deposits and other receivables		422,140	391,145
Short term investments	14	656,326	659,506
Assets held for sale	15	3,203,853	2,908,739
Advance tax - net		520,426	532,462
Cash and bank balances		541,919	446,776
<b>Current assets</b>		<b>9,808,240</b>	<b>9,214,572</b>
<b>Total assets</b>		<b>56,406,460</b>	<b>55,943,011</b>



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

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

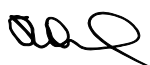
For the nine months period ended 31 March 2021

	Note	Three months period ended 31 March		Nine months period ended 31 March	
		2021	2020	2021	2020
[Rupees'000]					
Revenue - net	16	2,162,872	2,474,796	5,535,551	7,893,488
Cost of sales and services	17	[1,377,354]	[1,464,391]	[3,761,495]	[4,707,940]
<b>Gross profit</b>		<b>785,518</b>	<b>1,010,405</b>	<b>1,774,056</b>	<b>3,185,548</b>
Other income		118,878	47,551	346,934	148,085
Administrative expenses		[561,542]	[778,371]	[1,571,784]	[2,512,389]
[Impairment]/ reversal loss on trade debts		3,556	[49,010]	[35,555]	[38,480]
<b>Operating profit</b>		<b>346,410</b>	<b>230,575</b>	<b>513,651</b>	<b>782,764</b>
Finance income		[12,066]	[288,843]	40,516	[99,384]
Unrealised gain on remeasurement of investments to fair value - net		300	[1,505]	1,612	[1,244]
Finance cost		[261,048]	[438,152]	[959,874]	[1,215,879]
<b>Net finance cost</b>		<b>[272,814]</b>	<b>[728,500]</b>	<b>[917,746]</b>	<b>[1,316,507]</b>
Share of profit in equity accounted investments		28,414	38,067	73,527	56,693
<b>Profit / [Loss] before taxation</b>		<b>102,010</b>	<b>[459,858]</b>	<b>[330,568]</b>	<b>[477,050]</b>
Income tax expense		10,529	[51,726]	79,241	[210,947]
<b>Profit / [Loss] for the period</b>		<b>112,539</b>	<b>[511,584]</b>	<b>[251,327]</b>	<b>[687,997]</b>
<b>Profit / [Loss] attributable to:</b>					
Owners of the Company		127,709	[502,048]	[230,393]	[643,149]
Non-controlling interests		[15,170]	[9,536]	[20,934]	[44,848]
		<b>112,539</b>	<b>[511,584]</b>	<b>[251,327]</b>	<b>[687,997]</b>

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



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

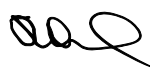
For the nine months period ended 31 March 2021

	Three months period ended 31 March		Nine months period ended 31 March	
	2021	2020	2021	2020
	[Rupees'000]			
Profit / [Loss] for the period	112,539	(511,584)	(251,327)	(687,997)
Surplus on remeasurement of available for sale securities	3,398	47,481	20,080	43,141
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period - [loss]	115,937	(464,103)	(231,247)	(644,856)
<b>Total comprehensive income- [loss] attributable to:</b>				
Owners of the Company	131,107	(454,567)	(210,313)	(600,008)
Non-controlling interests	(15,170)	(9,536)	(20,934)	(44,848)
	115,937	(464,103)	(231,247)	(644,856)

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



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

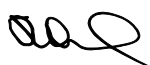
For the nine months period ended 31 March 2021

	Note	Nine months period ended 31 March	
		2021	2020
		[Rupees'000]	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows from operating activities before working capital changes	18	1,381,015	1,724,055
<b>Working capital changes</b>			
(Increase) / decrease in current assets			
Inventories		(76,766)	(35,557)
Development properties		75,095	(6,922)
Trade debts		(210,028)	(152,523)
Contract assets		(11,488)	21,221
Advances		(58,319)	4,690
Trade deposits and prepayments		3,911	(36,141)
Other receivables		23,413	(16,254)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(553,340)	1,423,006
Non current liabilities		21,506	-
Contract liabilities		138,188	39,908
<b>Cash (used in) / generated from operations</b>		<b>(647,828)</b>	<b>1,241,428</b>
Staff retirement benefit - gratuity paid		(75,769)	(35,646)
Compensated leave absences paid		(43,186)	(17,142)
Income tax paid		(98,255)	(203,777)
Finance cost paid		(259,080)	(1,758,489)
<b>Net cash generated from operating activities</b>		<b>256,897</b>	<b>950,429</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(597,180)	(2,124,748)
Advance for capital expenditure		(28,668)	32,085
Payment for Intangible asset		(51,398)	-
Proceeds from disposal of property, plant and equipment		85,565	27,823
Advance against equity investment		(241,145)	(255,880)
Short term investments		(24)	445,309
Advance against asset held for sale		200,000	-
Proceed from disposal of asset held for sale		149,136	-
Dividend income received		-	225
Receipts of return on bank deposits and short term investments		41,995	99,776
Long term deposits and prepayments		640	(9,809)
<b>Net cash used in investing activities</b>		<b>(441,079)</b>	<b>(1,785,219)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(100,000)	(1,083,333)
Proceeds from long term financing		314,906	-
Proceeds from short term loan		194,928	371,199
Repayment of diminishing Musharka facility		-	(20,480)
Proceed from advance against equity		49,503	146,879
Lease liabilities paid		(103,269)	(73,520)
Transaction cost paid		(8,200)	-
<b>Net cash generated / (used in) financing activities</b>		<b>347,868</b>	<b>(659,255)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>163,686</b>	<b>(1,494,045)</b>
Cash and cash equivalents at beginning of the period		(2,141,192)	(899,836)
Cash and cash equivalents at end of the period	19	(1,977,506)	(2,393,881)

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



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

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

For the nine months period ended 31 March 2021

	Capital reserve			Revenue reserves			Surplus on revaluation of property, plant and equipment	Total	Non controlling Interest	Total Equity
	Share capital	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Share of other OCI items of associate				
	(Rupees'000)									
Balance at 01 July 2019	325,242	269,424	147,221	1,600,000	1,099,231	34,121	3,653,228	27,530,741	34,659,208	14,583 34,673,791
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(643,149)	-	(643,149)	(44,848) (687,997)
Other comprehensive income for the period	-	-	-	-	-	43,141	-	-	43,141	- 43,141
Total comprehensive income for the period - loss	-	-	-	-	-	43,141	(643,149)	-	(600,008)	(44,848) (644,856)
Balance at 31 March 2020	325,242	269,424	147,221	1,600,000	1,099,231	77,262	3,010,079	27,530,741	34,059,200	(30,265) 34,028,935
Balance at 01 July 2020	325,242	269,424	147,221	1,600,000	1,137,393	46,808	1,636,629	29,243,031	34,405,748	79,909 34,485,657
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	20,080	(230,393)	-	(210,313)	(20,934) (231,247)
Advance against issuance of shares	-	-	-	-	-	-	-	-	-	49,503 49,503
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	- -
Total comprehensive income for the period - loss	-	-	-	-	-	20,080	(230,393)	-	(210,313)	28,569 (181,744)
Balance at 31 March 2021	325,242	269,424	147,221	1,600,000	1,137,393	66,888	1,406,236	29,243,031	34,195,435	108,478 34,303,913

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



M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer

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

For the nine months period ended 31 March 2021

## 1 THE GROUP AND ITS OPERATIONS

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

### 1.1 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.

The Group has incurred a net loss after tax of Rs. 251,327 thousand during the nine months period ended 31 March 2021 and, as at that date, current assets exceeded current liabilities by Rs. 2,923,138 thousand. Further, as explained in note 23, during the period the Group’s operations continued to be affected by COVID-19 outbreak.

Management expects the situation to improve in subsequent period and is confident that operating cash flows will be adequate to fulfill obligations when due.

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.

## 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.

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

For the nine months period ended 31 March 2021

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 2020. Comparative condensed interim consolidated statement of financial position is extracted from the annual audited consolidated financial statements for the year ended 30 June 2020, 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 2020.

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

## 3 ACCOUNTING POLICIES AND ESTIMATES

### 3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements of the Group for the year ended 30 June 2020. However during the period, the Parent Company has acquired intangible assets and has adopted the following accounting policy:

#### 3.1.1 During the period the Parent Company recognized an Intangible asset on account of new software implementation cost.

Intangible asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditures only be capitalized when it increases the future economic benefits embodied in the Intangible asset.

Amortization is calculated to write of the cost of Intangible asset less their estimated residual values using the diminishing balance method over the useful life on monthly basis and is recognized in profit or loss.

Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

### 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 2020.

#### Measurement of fair values

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

Finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet

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

For the nine months period ended 31 March 2021

the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board.

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

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

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

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

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

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

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021 :

- Amendments to IFRS 16: Leases	[effective 01 June 2021]
- Amendments to IFRS 7: Financial Instruments- disclosures	[effective 01 January 2021]
- Amendments to IFRS 9: Financial Instruments	[effective 01 June 2021]
- Annual improvement 2018-2020 , IFRS-9, IFRS-16, IAS-41	[effective 01 January 2022]

The above amendments are not likely to have an impact on these interim consolidated financial statements.

## 4 SHARE CAPITAL

There is no change in the authorised, issued, subscribed and paid up share capital of the Parent Company from 30 June 2020.

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

For the nine months period ended 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000]	
<b>5 LOANS AND BORROWINGS - Secured</b>			
<b>a. Non - current portion</b>			
Term Finance Loan - 1	5.2	548,212	552,500
Term Finance Loan - 2	5.2	1,706,650	1,720,000
Term Finance Loan - 3	5.3	1,984,476	2,000,000
Term Finance Loan - 4	5.4	1,984,476	2,000,000
Sukuk	5.5	6,559,797	6,611,111
Term Finance Loan - 5	5.6	374,251	347,441
Term Finance Loan - 6	5.7	6,770	-
Redeemable Preference shares	5.8	279,000	-
Transaction cost		[41,462]	[33,262]
		13,402,170	13,197,790
Current portion of loans		[372,605]	[3,872,175]
		13,029,565	9,325,615
Markup accrued	5.9	940,499	-
		13,970,064	9,325,615
<b>b. Current portion</b>			
Current portion of loans		372,605	3,872,175
Markup accrued		437,478	653,695
		810,083	4,525,870

5.1 The markup rates, facility limits and securities offered for long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2020 except as disclosed in following notes:

5.2 These loans have been restructured for seven years with grace period of two years, with effective date of 01 April 2020.

5.3 This loan has been restructured for seven years with grace period of two years with effective date of 23 May 2020.

5.4 This loan has been restructured for five years with grace period of two years with effective date of 31 March 2020.

5.5 This loan has been restructured for seven years with grace period of two years with effective date of 14 September 2020.

5.6 During the period the Parent Company availed remaining amount of Rs. 29.137 million out of total facility limit of Rs. 406.726 million, under State Bank of Pakistan (SBP) Refinance Scheme for payment of wages and salaries to the workers.

5.7 This represents fresh loan availed by the Group under State Bank of Pakistan (SBP) Refinance Scheme for payment of wages and salaries to the workers, carrying markup of 3% per annum (30 June 2020: Nil) and secured by way of hypothecation charge over specific inventory. The loan is repayable in eight equal quarterly instalments, starting from January 2021.

5.8 During the current period, the Group has received an advance against the issuance of redeemable and privately placed preference shares amounting to Rs. 279 million with maturity period of five years. Each holder of Preference Shares shall have the right to receive dividends at a fixed rate of 15% per annum, on a cumulative basis which dividend shall be payable subject to the profitability.

5.9 This represents portion of deferred markup upon restructuring of long term loans.

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

For the nine months period ended 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000']	
<b>6 LEASE LIABILITIES</b>			
Opening		359,084	444,440
Additions during the period/ year		-	73,396
Lease payments		(103,269)	(101,373)
Lease modification		-	(57,379)
Closing		<u>255,815</u>	<u>359,084</u>
Current portion		<u>108,517</u>	<u>127,771</u>
Non-current portion		<u>147,298</u>	<u>231,313</u>
<b>7 SHORT TERM BORROWINGS - secured</b>			
Running finance facilities - banking companies	7.1	2,518,580	2,587,186
Short term loan - unsecured	7.2	578,258	383,330
Markup accrued		46,610	70,098
		<u>3,143,448</u>	<u>3,040,614</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 2020.

7.2 This includes loan from directors Rs. 105.599 million and from related parties Rs. 336.059 million.

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	[Rupees'000]	
<b>8 TRADE AND OTHER PAYABLES</b>			
Creditors		827,839	955,610
Accrued liabilities		577,270	675,912
Shop deposits		49,365	54,026
Retention money		208,787	223,478
Due to related parties - unsecured		50,685	270,029
Sales tax payable		87,327	75,576
Income tax deducted at source		16,160	6,435
Unearned income		15,270	49,900
Payable to provident fund		7,712	13,236
Other liabilities	8.1	229,748	140,171
		<u>2,070,163</u>	<u>2,464,373</u>

8.1 This includes amount of Rs. 63.908 [30 June 2020: Rs. 20.548] million payable to directors, and Rs. 58.278 million [30 June 2020: Nil] on account of software fee.

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

For the nine months period ended 31 March 2021

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

9.1.1 There is no change in the contingent liabilities as reported in the annual audited consolidated financial statements of the Group for the year ended 30 June 2020 except for the following:

	Note	Unaudited 31 March 2021 [Rupees'000]	Audited 30 June 2020
9.1.2 Guarantees		310,342	308,952
9.2 Commitments			
Commitments for capital expenditure		4,058,412	4,248,657
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	10.1	36,456,857	37,191,636
Capital work in progress	10.2	6,926,665	6,679,529
		43,383,522	43,871,165
<b>10.1 Operating fixed assets</b>			
Carrying amount at beginning of the period / year		37,191,636	35,991,899
Impact of adoption of IFRS-16		-	367,564
Additions during the period / year	10.2.2	82,123	449,958
Transfer from Capital work in progress	10.2.2	435,491	678,321
Revaluation surplus		-	1,712,290
Asset classified as held for sale		(455,113)	(160,000)
Disposal during the period / year		(31,845)	(777,377)
Depreciation charge for the period / year	10.2.2	(765,435)	(1,071,019)
Carrying amount at end of the period / year		36,456,857	37,191,636
<b>10.2 Capital work in progress</b>			
Carrying amount at beginning of the period / year		6,679,529	4,613,594
Additions during the period / year		682,627	2,918,818
Transferred to operating fixed assets		(435,491)	(678,321)
Write down adjustment		-	(174,562)
Carrying amount at end of the period / year	10.2.1	6,926,665	6,679,529
<b>10.2.1 Closing capital work in progress represents:</b>			
Construction of Pearl Continental Multan		3,109,124	2,996,222
Construction of Pearl Continental Mirpur		3,531,887	3,371,377
Other civil works		285,654	311,930
		6,926,665	6,679,529

10.2.2 Additions in and depreciation on property, plant and equipment during the nine months period ended 31 March 2020 were Rs. 653.701 million and Rs. 742.108 million respectively.

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

For the nine months period ended 31 March 2021

11 INTANGIBLE ASSET	Note	Unaudited 31 March 2021 [Rupees'000']	Audited 30 June 2020
Project under development		176,425	160,930
Software	11.1	83,683	-
		<u>260,108</u>	<u>160,930</u>
Cost			
Opening balance		160,930	-
Additions		123,472	160,930
Closing balance		<u>284,402</u>	<u>160,930</u>
Accumulated amortisation			
Opening balance		-	-
Amortisation charge		24,294	-
Closing balance		<u>24,294</u>	<u>-</u>
Net book value			
Cost		284,402	160,930
Accumulated amortisation		[24,294]	-
Closing balance		<u>260,108</u>	<u>160,930</u>
Amortisation rate per annum		<u>30%</u>	<u>-</u>

11.1 This represents the computer software acquired during the period by the Group, the payment of the software will be made on monthly installments, for which liability is recognized in current and non-current portion amounting to Rs. 58.278 million and Rs. 13.798 million respectively.

12 ADVANCE FOR CAPITAL EXPENDITURE	Note	Unaudited 31 March 2021 [Rupees'000']	Audited 30 June 2020
Advance for purchase of land	12.1	666,820	666,820
Advance for purchase of Malir Delta Land	12.2	381,656	381,656
		<u>1,048,476</u>	<u>1,048,476</u>
Advance for purchase of apartment		40,509	40,509
Impairment loss		[40,509]	[40,509]
		<u>-</u>	<u>-</u>
Advance for purchase of fixed assets		86,588	95,782
Advances for Pearl Continental Multan Project		80,775	92,145
Advances for Pearl Continental Mirpur Project		94,902	101,767
		<u>262,265</u>	<u>289,694</u>
		<u>1,310,741</u>	<u>1,338,170</u>

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

For the nine months period ended 31 March 2021

- 12.1 This includes amount of Rs. 626.82 million [30 June 2020: Rs. 626.82 million] paid to a related party, Associated Builders (Private) Limited, for purchase of tourist site piece(s) of land measuring 7.29 acres in Gwadar. During the previous year, the Securities and Exchange Commission of Pakistan (SECP) has imposed penalty on the Parent Company's directors under the provisions of section 199 of the Companies Act, 2017 by treating this advance as 'investment in associated Company' and also directed the Parent Company to place the matter before the shareholders of the Parent Company in the forthcoming general meeting to seek their approvals in terms of section 199 of the Companies Act, 2017. The directors of the Parent Company has filed an appeal with the SECP which is pending. Management believes that the matter has no impact on these financial statements.
- 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.

	Unaudited 31 March 2021	Audited 30 June 2020
	[Rupees'000]	
<b>13 ADVANCE AGAINST EQUITY INVESTMENT</b>		
Foreepay (Private) Limited - related party	641,780	426,280
Xoop Technologies (Private) Limited	241,559	215,914
	<b>883,339</b>	<b>642,194</b>

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

For the nine months period ended 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
		[Rupees'000]	
<b>14</b>	<b>SHORT TERM INVESTMENTS</b>		
	<i>Amortized cost</i>		
	Certificate of investments	5,300	5,300
	Impairment loss	(5,300)	(5,300)
		-	-
	<i>Fair value through other comprehensive income</i>		
	National Technology Development Corporation Limited	200	200
	Indus Valley Solvent Oil Extraction Limited	500	500
	Impairment loss	(700)	(700)
		-	-
	<i>Amortized cost</i>		
	Term deposit receipt	565,523	565,523
	Term Finance certificate	75,000	75,000
	Mutual Fund	3,037	3,013
	Accrued interest	5,755	10,571
		649,315	654,107
	<i>Financial assets at fair value through profit or loss</i>		
	Shares of listed Companies	7,011	5,399
		656,326	659,506
<b>15</b>	<b>NON CURRENT ASSET HELD FOR SALE</b>		
	Properties	3,203,853	2,748,739
	Land	-	160,000
		3,203,853	2,908,739

15.1 During the period the Parent Company's Board approved the disposal of commercial property bearing No.S-19R-136/I having book value of Rs.455.113 million, an amount of Rs. 200 million has been received against disposal of this property, and management expects to complete the sale transaction in near future.

		Three months period ended 31 March		Nine months period ended 31 March	
		2021	2020	2021	2020
		[Rupees'000']			
<b>16</b>	<b>REVENUE - NET</b>				
	Rooms	1,063,488	1,259,438	2,659,102	4,184,968
	Food and beverages	1,305,181	1,469,975	3,268,263	4,517,817
	Other related services	149,761	148,515	537,471	469,863
	Vehicle rentals	16,651	28,472	47,938	89,222
	Shop license fees	11,028	11,338	31,509	34,254
		2,546,109	2,917,738	6,544,283	9,296,124
	Discounts and commissions	(50,055)	(49,426)	(134,582)	(142,333)
	Sales tax	(333,182)	(393,516)	(874,150)	(1,260,303)
		2,162,872	2,474,796	5,535,551	7,893,488

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



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

For the nine months period ended 31 March 2021

## 20 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:

	Nine months period ended 31 March	
	2021	2020
	[Rupees'000]	
<b>Transactions with associated undertakings</b>		
Sales	241	139
Services provided	15,269	23,753
Services availed	189,858	281,170
Purchases	75,807	100,644
Franchise fee - income	2,608	3,099
Franchise and management fee - expense	4,530	6,727
Dividend income	52,698	41,064
<b>Balances as at the period end:</b>		
- Trade debts	11,059	* 18,326
- Trade Advances, deposits and prepayments	29,253	*39,095
- Dividend receivable	52,698	-
<b>Transactions with other related parties</b>		
Sales	604	663
Services provided	417	18
Services availed	17,915	-
Purchases	4,223	776
Contribution to defined contribution plan - provident fund	31,803	44,737
Purchase of Fixed asset	35,803	-
Short term loan during the period	228,928	77,000
<b>Balances as at the period end:</b>		
- Trade debts	666	* 319
- Advance for capital expenditure	626,820	* 626,820
- Short term loan	336,059	*107,131
<b>Transactions with key management personnel</b>		
Remuneration and allowances including staff retirement benefits	111,942	151,732
Loan from key management personnel during the period	75,200	259,399
Loan balance from key management personnel	105,599	* 241,398
Refund of loan to key management personnel	211,000	-
Payable to key management personnel	63,908	20,548

\* Represents balances as at 30 June 2020.

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

For the nine months period ended 31 March 2021

## 21 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### 21.1 Accounting classifications and fair values

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

	Note	Carrying amount			Fair value				
		Financial Assets		Financial Liabilities	Amount in Rs'000				
		Fair value through profit or loss	Amortized cost	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>31 March 2021</b>									
<b>Financial assets measured at fair value</b>									
Shares of listed Companies	14	7,011	-	-	7,011	7,011	-	-	7,011
Long term deposits		33,017	-	-	33,017	-	-	33,017	33,017
Short term deposits		15,995	-	-	15,995	-	-	15,995	15,995
		<u>56,023</u>	<u>-</u>	<u>-</u>	<u>56,023</u>	<u>7,011</u>	<u>-</u>	<u>49,012</u>	<u>56,023</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	21.2	-	391,024	-	391,024	-	-	-	-
Contract assets		-	15,066	-	15,066	-	-	-	-
Advance to employees		-	8,911	-	8,911	-	-	-	-
Other receivables		-	110,713	-	110,713	-	-	-	-
Short term investments	14	-	643,560	-	643,560	-	-	-	-
Accrued interest		-	6,600	-	6,600	-	-	-	-
Cash and bank balances		-	541,919	-	541,919	-	-	-	-
		<u>-</u>	<u>1,717,793</u>	<u>-</u>	<u>1,717,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	21.2	-	-	14,821,609	14,821,609	-	-	-	-
Short term borrowings	7	-	-	3,143,448	3,143,448	-	-	-	-
Lease liabilities	6	-	-	255,815	255,815	-	-	-	-
Trade and other payables	21.3	-	-	1,951,406	1,951,406	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>20,183,048</u>	<u>20,183,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2020</b>									
<b>Financial assets measured at fair value</b>									
Short term investments	14	5,399	-	-	5,399	5,399	-	-	5,399
Long term deposits		33,657	-	-	33,657	-	-	33,657	33,657
Short term deposits		15,512	-	-	15,512	-	-	15,512	15,512
		<u>54,568</u>	<u>-</u>	<u>-</u>	<u>54,508</u>	<u>5,399</u>	<u>-</u>	<u>49,169</u>	<u>54,508</u>
<b>Financial assets not measured at fair value</b>									
Trade debts	21.2	-	216,551	-	216,551	-	-	-	-
Contract assets		-	3,578	-	3,578	-	-	-	-
Advance to employees		-	15,305	-	15,305	-	-	-	-
Other receivables		-	90,373	-	90,373	-	-	-	-
Short term investments	14	-	640,523	-	640,523	-	-	-	-
Cash and bank balances		-	446,776	-	446,776	-	-	-	-
		<u>-</u>	<u>1,413,106</u>	<u>-</u>	<u>1,413,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Loans and borrowings	21.2	-	-	13,884,747	13,884,747	-	-	-	-
Short term borrowings	7	-	-	3,040,614	3,040,614	-	-	-	-
Lease liabilities	6	-	-	359,084	359,084	-	-	-	-
Trade and other payables	21.3	-	-	2,332,462	2,332,462	-	-	-	-
Unclaimed dividend		-	-	9,242	9,242	-	-	-	-
Unpaid dividend		-	-	1,528	1,528	-	-	-	-
		<u>-</u>	<u>-</u>	<u>19,627,677</u>	<u>19,627,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

For the nine months period ended 31 March 2021

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

## 22 CORRESPONDING FIGURES

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

Description of item	Reclassified from	Reclassified to	Amount [Rupees'000]
Commission on room bookings	Discounts and commissions	Cost of Sales- others	72,300
Franchise fee	Administrative expenses	Cost of Sales- others	6,727

## 23 IMPACT OF COVID-19 ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The novel coronavirus [COVID-19] emerged in previous year on 11 March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, took stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and locking down cities and regions. The events and conditions resulted in disruption to business operations particularly to businesses in highly exposed sectors including hospitality industry and significant increase in economic uncertainty.

Due to the lockdown and restrictions imposed by the Government of Pakistan, the Groups' following hotel properties remained fully/partially closed for operations:

PC Karachi partially closed from 17 March 2020 to 10 August 2020  
 PC Lahore partially closed from 23 March 2020 to 02 August 2020  
 PC Rawalpindi fully closed from 24 March 2020 to 01 July 2020  
 PC Bhurban 19 March 2020 to 10 August 2020  
 PC Muzaffarabad fully closed from 18 March 2020 to 12 August 2020  
 Hotel One- The Mall were fully closed from 18 March 2020 to 09 July 2020

The Group's recognized revenue of Rs. 5,535,551 thousand during the nine months period as compared to Rs. 7,893,488 thousand in the corresponding period of previous year. The decline is attributed mainly due to temporary close-down of operations. There is no impact of COVID-19 on the carrying amounts of assets and liabilities.

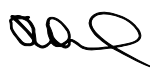
The material uncertainties relating to going concern assumption, including those arising from impacts of COVID-19 along-with information relating to management's actions and plans to mitigate adverse financial implications and operational changes are disclosed in Note 1.1.

## 24 DATE OF AUTHORISATION FOR ISSUE

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 2021.



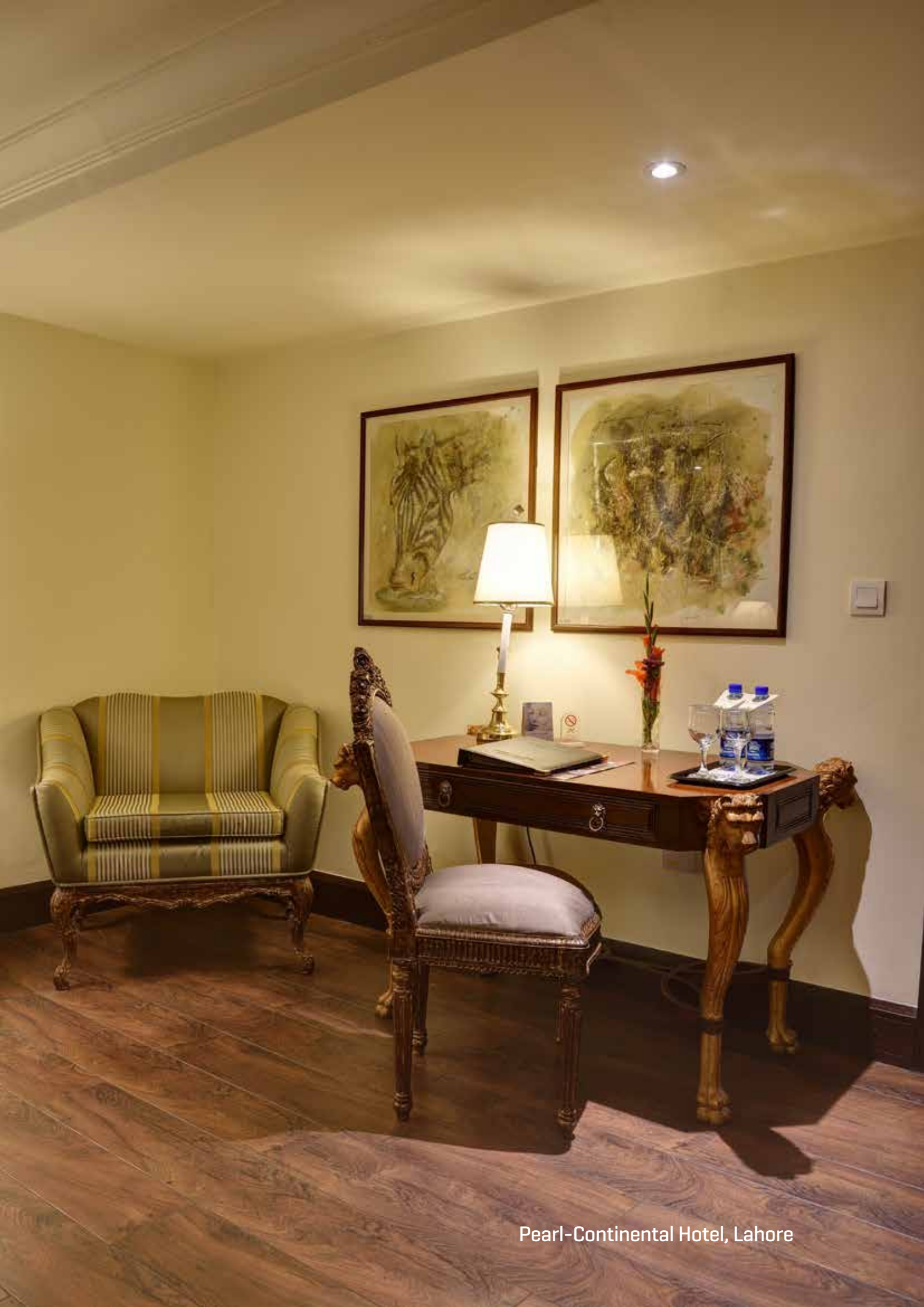
M.A. Bawany  
Director



Shakir Abu Bakar  
Director



Tahir Mahmood  
Chief Financial Officer



Pearl-Continental Hotel, Lahore



PAKISTAN SERVICES LTD.

1st floor, NESPAK House, Sector G-5/2, Islamabad

Tel: +92-51-2272890-8, Fax: +92-51-2878636

OWNERS AND OPERATORS OF



Pearl-Continental

HOTELS & RESORTS

KARACHI • LAHORE • RAWALPINDI • PESHAWAR • BHURBAN  
MUZAFFARABAD • MALAM JABBA