



PAKISTAN SERVICES LTD.



Pearl-Continental
HOTELS & RESORTS

CONDENSED INTERIM FINANCIAL INFORMATION

for the three months period
ended 30 September 2013



Cultured like no other pearl in the world



Pearl-Continental
HOTELS & RESORTS

for the privileged ones

We wish our new guests the nicest possible
welcome into the privilege club
acceptable at Pearl Continental & Marriott Hotels*



for details contact:
111-505-505
www.pchotels.com

CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

for the three months period
ended 30 September 2013



Pearl-Continental
HOTELS & RESORTS



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

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

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

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

Pearl Continental Hotels, a chain owned and operated by Pakistan Services Limited, "the Company" sets the international standards for quality hotel accommodation in South Asia. The Company manages 6 luxury hotels at Karachi, Lahore, Rawalpindi, Peshawar, Bhurban and Muzaffarabad; comprising 1,558 rooms with registered office in Islamabad, Pakistan.

BOARD OF DIRECTORS

Mr. Sadruddin Hashwani	Chairman
Mr. Murtaza Hashwani	Chief Executive Officer
Ms. Sarah Hashwani	
Mr. M. A. Bawany	
Mr. Mansoor Akbar Ali	
Syed Sajid Ali	
Mr. Muhammad Rafique	
Mr. Clive Anthony Webster	
Mr. Bashir Ahmed	

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Rafique

COMPANY SECRETARY

Mr. Mansoor Khan

AUDITORS

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

LEGAL ADVISOR

M/s Liaquat Merchant & Associates

BANKERS

National Bank of Pakistan
The Bank of Punjab
Habib Bank Limited
Soneri Bank Limited
United Bank Limited
Askari Bank Limited
Albaraka Islamic Bank (Pakistan) Limited
Allied Bank Limited
Bank Alfalah Limited
JS Bank Limited
KASB Bank Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited

REGISTERED OFFICE

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

SHARE REGISTRAR

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

Directors' Report

Dear Members

The Board of Directors of Pakistan Services Limited is privileged to present the unaudited condensed interim financial information of the Company for the 3-month period ended on 30 September 2013.

Economic Overview

In the Eurozone, the manufacturing sector is picking up with Germany in the lead. The Eurozone has witnessed lowest inflation rate during the period under review. The US Federal Reserve despite recovery of US Economy announced the continuation of incentives for the economy growth. However, the threat of shutdown of US Government is casting a dark shadow on the US economic recovery. The threat is emanating from wide differences between the Republican Party and the Democrats on the "Affordable Care Act".

China launched a major trade-free zone in Shanghai, which is seen as testing ground for long awaited market reforms. China's manufacturing sector expanded for the second straight month in September suggesting rebound in the world's second biggest economy, which grew at 7.8 percent in the 3rd Quarter - July to September 2013.

Pak Rupee saw a worst fall in history when it traded at Rs.111 to a US Dollar. Continuing repayments to the IMF are putting considerable pressure on the Pak Rupee. Projection is that Rupee will further weaken 10 percent in FY 2014. Local currency has already depreciated 5.2 percent in July-September, three months of current FY. Increasing incidents of terror attacks in Peshawar, Tribal areas, and Baluchistan and continued target-killings and other cases of general lawlessness in Karachi, the industrial and commercial hub of Pakistan, are making a deep dent in to the economy of our country. Pakistan continues to raise the fuel and electrical energy prices. The shortage of electricity and gas are multipliers to the problems of industry and domestic consumers.

Even in the grim security & economic environment obtaining in Pakistan at present, your Company surpassed the performance level of the corresponding quarter of the last year; thanks to the hard work, resolve, and competence of its employees. Total revenue (exclusive of GST) of Rs. 1,649 million of the period under review registered an increase of Rs. 163 million when compared with Rs. 1,486 million of corresponding quarter of the last year. The profit before tax, and gain on re-measurement of listed securities was amounted to Rs. 74 million compared to Rs. 176 million earned in the comparative quarter of the previous year, one of the attributable reasons for drop in the pretax profitability in the period under review was due to absorption of loss of the wholly owned subsidiary M/s Musafa International (Private) Limited that merged with the Company in the first quarter of current financial year. However, on the positive side the stable performance of stock market unrealized gain of Rs. 105 million accrued in the period under review as against that of Rs. 92 million booked in the corresponding period of last year. Resultantly, the profit after tax was recorded at Rs. 106 million relative to Rs. 208 million of the comparative period of last year.

Performance Summary:	For the three months period ended 30 September	
	2013	2012
	(Rupees'000)	
Sales and services-net	<u>1,648,751</u>	<u>1,485,682</u>
Gross profit	<u>583,100</u>	<u>537,142</u>
Profit before taxation	<u>178,761</u>	<u>267,335</u>
Profit after taxation	<u>106,283</u>	<u>208,396</u>
Earnings per share (Rupees)	<u>3.27</u>	<u>6.41</u>

Rooms Revenue

During the 3-month period under review, Rooms Revenue (exclusive of GST) was recorded at Rs. 717 million as against Rs. 619 million of the corresponding period of last year registering thereby an increase of Rs. 98 million. This favourable impact was due to slight improvements in the Rooms' Occupancy and the Average Daily Room Rate (ADR) from 57 percent to 58 percent and Rs. 7,603/- to Rs. 8,738/- respectively as compared to the corresponding period of the preceding year.

Food & Beverages Revenue

Food and Beverage Revenue (exclusive of GST) for the reviewing period totaled at Rs. 825 million reflecting, an increase of Rs. 52 million representing 7 percent growth over Rs. 773 million of the corresponding period of last year.

Tours & Travels and other Related Services, Shop License & Parking Fees

Revenue (exclusive of GST) of this Division during the period under review stood at Rs. 107 million as compared to Rs. 93 million of the corresponding period of last year. The comparative growth in the revenue of this segment is attributable to improved guestrooms' occupancy during the period under report as mentioned supra. On an overall basis, the revenue generation from the minor segments is considered quite satisfactory.

Future Prospects

The difficult time through which Pakistan is passing notwithstanding, your Company has continued with its modernization and expansion plans for sustained growth of its business operations. If anything, the testy conditions have made your Company's management more resilient, innovative and motivated to move forward in the face of adverse conditions. Large scale projects have been completed or are underway especially at PC Hotels at Lahore, Bhurban, Rawalpindi and Karachi. Some of these projects constitute total renovation of Boardrooms, Banquet Halls, Health Club facilities and Guestrooms. The Business Centre of PC Hotel Lahore is being equipped with latest computers and furniture. In the same property, high quality and very impressive Chandeliers have been installed in the Atrium Lobby and more will be installed in the Function Rooms like Kohinoor Hall, Shahi Khema & Crystal Ball Room. The programme for switchover to energy saving LED Lamps and new machines is continuing. New kitchen equipment including Walk-in Freezers, Coffee Machines, Mixers, Dishwashers and Ice-cube making machines have been inducted. The machinery for establishment of Central Laundry Shop at the PC Hotel Rawalpindi for PC Hotels in the North has been received and its installation and commissioning is expected to be completed in 6-8 weeks. The projects of new PC Hotels at Multan and Mirpur (AJK) are making steady progress.

With the futuristic strategy that is being implemented with full resolve and commitment, your Company will remain not only as a leader in the hospitality industry of Pakistan but also become a formidable hotel enterprise for fulfilling the demands of modern world of 21st Century.

Consolidated Results

The Sales and Services revenue (excluding GST) of your Company based on the consolidated financial information for the 3-month period under report was recorded at Rs. 1,667 million against Rs. 1,509 million of corresponding period of the last year showing an increase of nearly Rs. 158 million. The 10 percent growth in the overall Sales and Services further contributed towards the profit before tax of Rs. 233 million in the period under report from Rs. 250 million of the comparative period of last year.

Acknowledgement

On behalf of the Board, we express our profound thanks to the employees & consultants of the Company for their devotion and dedication to duty. Our thanks are also due to the bankers, the valued guests, and the worthy shareholders for their support and confidence in the management of the Company.

For and on behalf of the Board of Directors



M. A. Bawany
Director



Muhammad Rafique
Director

Islamabad: 30 October 2013





CONDENSED
INTERIM
UNCONSOLIDATED
FINANCIAL
INFORMATION
(UNAUDITED)

for the three months period
ended 30 September 2013

Condensed Interim Unconsolidated Balance Sheet

As at 30 September 2013

		Unaudited 30 September 2013	Audited 30 June 2013
	Note	(Rupees'000)	
SHARE CAPITAL AND RESERVES			
Authorised share capital 50,000,000 (30 June 2013: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up share capital		325,242	325,242
Reserves		1,876,020	1,869,424
Unappropriated profit		<u>3,035,398</u>	<u>2,929,115</u>
		5,236,660	5,123,781
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		19,988,725	19,988,725
NON CURRENT LIABILITIES			
Long term financing - secured	4	<u>291,667</u>	350,000
Liabilities against assets subject to finance lease - secured	5	<u>16,626</u>	16,651
Deferred liabilities		<u>529,371</u>	468,265
		837,664	834,916
CURRENT LIABILITIES			
Trade and other payables		<u>1,531,842</u>	1,458,466
Markup accrued		<u>20,132</u>	20,689
Short term borrowings - secured	6	<u>216,117</u>	75,395
Provision for taxation - net		-	6,335
Current portion of long term financing and liabilities against assets subject to finance lease		<u>239,299</u>	241,186
		2,007,390	1,802,071
		<u>28,070,439</u>	<u>27,749,493</u>
CONTINGENCIES AND COMMITMENTS	7		

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

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

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

		Unaudited 30 September 2013	Audited 30 June 2013
NON CURRENT ASSETS			
	Note	(Rupees'000)	
Property, plant and equipment	8	23,477,724	22,987,048
Advance for capital expenditure		1,093,820	1,099,645
Investment property		47,000	47,000
Long term investments	9	301,355	781,635
Long term deposits and prepayments		36,083	35,049
		24,955,982	24,950,377
CURRENT ASSETS			
Stores, spare parts and loose tools		134,841	129,770
Stock in trade - food and beverages		103,273	80,533
Trade debts		630,840	554,553
Advances		618,410	588,170
Trade deposits and prepayments		86,645	71,965
Interest accrued		22,593	6,510
Other receivables		78,744	42,302
Other financial assets		739,873	631,787
Non current assets held for sale		586,403	586,403
Advance tax - net		29,703	-
Cash and bank balances		83,132	107,123
		3,114,457	2,799,116
		28,070,439	27,749,493



M. A. Bawany
Director



Muhammad Rafique
Director

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

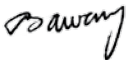
For the three months period ended 30 September 2013

	Note	Three months ended 30 September	
		2013	2012
		(Rupees'000)	
Sales and services - net	10	1,648,751	1,485,682
Cost of sales and services	11	(1,065,651)	(948,540)
Gross profit		583,100	537,142
Administrative expenses		(448,152)	(359,732)
Other expenses		(73,868)	-
Finance cost		(30,485)	(41,783)
Other income		148,166	131,708
Profit before taxation		178,761	267,335
Taxation		(72,478)	(58,939)
Profit for the period		106,283	208,396
Earnings per share - basic and diluted (Rupees)	12	3.27	6.41

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

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

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



M. A. Bawany
Director



Muhammad Rafique
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

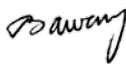
For the three months period ended 30 September 2013

	Three months ended 30 September	
	2013	(Restated) 2012
	(Rupees'000)	
Profit for the period	106,283	208,396
Other comprehensive income for the period		
Remeasurement gain on defined benefit plan- net of tax	6,596	6,390
Total comprehensive income for the period	<u>112,879</u>	<u>214,786</u>

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

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

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M. A. Bawany
Director



Muhammad Rafique
Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the three months period ended 30 September 2013

CASH FLOWS FROM OPERATING ACTIVITIES	Three months ended 30 September 2013		2012
	(Rupees'000)		
Profit before taxation	178,761		267,335
Adjustments for:			
Depreciation	76,753		67,911
Gain on disposal of property, plant and equipment	(2,369)		(1,229)
Gain on disposal of non current assets held for sale	-		(1,545)
Provision for staff retirement benefit - gratuity	14,981		13,649
Provision for compensated leave absences	8,337		5,987
Provision for doubtful debts	7,718		4,876
Return on bank deposits	(3,135)		(1,804)
Interest on short term advance to related party	(16,265)		(19,383)
Finance cost	30,485		41,783
Dividend income	(438)		-
Loss booked on merger of subsidiary Company	73,868		-
Unrealised gain on remeasurement of investments to fair value - net	(104,756)		(91,751)
	<u>263,940</u>		<u>285,829</u>
Working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools	(5,071)	(6,112)	
Stock in trade - food and beverages	(22,740)	(15,819)	
Trade debts	(84,005)	(61,130)	
Advances	(30,240)	(15,250)	
Trade deposits and prepayments	(14,680)	7,664	
Other receivables	(36,442)	(3,529)	
Increase in current liabilities			
Increase in trade and other payables	73,376	5,722	
Cash used in operations	<u>(119,802)</u>	<u>(88,454)</u>	
Staff retirement benefit - gratuity paid	(5,921)	(9,992)	
Compensated leave absences paid	(5,642)	(3,446)	
Income tax paid	(52,568)	(49,974)	
Finance cost paid	(31,042)	(39,478)	
Net cash generated from operating activities	<u>48,965</u>	<u>94,485</u>	
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(121,395)	(60,703)	
Additions to advance for capital expenditure	(35,463)	(237,661)	
Proceeds from disposal of property, plant and equipment	4,034	2,869	
Advance for equity investment	-	(12,500)	
Proceeds from disposal of non current assets held for sale	-	57,500	
Purchase of other financial assets	(3,330)	-	
Dividend income received	438	-	
Receipts of return on bank deposits	3,317	1,524	
Long term deposits	(1,034)	(5,523)	
Net cash used in investing activities	<u>(153,433)</u>	<u>(254,494)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing	(58,333)	(41,667)	
Repayment of liabilities against assets subject to finance lease	(1,912)	(5,080)	
Net cash used in financing activities	<u>(60,245)</u>	<u>(46,747)</u>	
Net decrease in cash and cash equivalents	(164,713)	(206,756)	
Cash and cash equivalents at beginning of the period	31,728	64,833	
Cash and cash equivalents at end of the period	<u>(132,985)</u>	<u>(141,923)</u>	
CASH AND CASH EQUIVALENTS			
Cash and bank balances	83,132	69,451	
Running finance	(216,117)	(211,374)	
	<u>(132,985)</u>	<u>(141,923)</u>	

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

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

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


M. A. Bawany
Director


Muhammad Rafique
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2013

Share capital	Capital reserve		Revenue reserves			Total equity
	Share premium	General reserve	Remeasurement gain on defined benefit plan (net of tax)	Unappropriated profit		

(Rupees'000)

Balance at 01 July 2012	325,242	269,424	1,600,000	-	2,041,979	4,236,645
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Changes in equity for the period
ended 30 September 2012

Total comprehensive income for the period

Profit for the period

-	-	-	-	208,396	208,396
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Other comprehensive income for the period

-	-	-	6,390	-	6,390
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Total comprehensive income for the period

-	-	-	6,390	208,396	214,786
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Balance at 30 September 2012 - Restated

325,242	269,424	1,600,000	6,390	2,250,375	4,451,431
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Balance at 01 July 2013	325,242	269,424	1,600,000	-	2,929,115	5,123,781
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Changes in equity for the period
ended 30 September 2013

Total comprehensive income for the period

Profit for the period

-	-	-	-	106,283	106,283
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Other comprehensive income for the period

-	-	-	6,596	-	6,596
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Total comprehensive income for the period

-	-	-	6,596	106,283	112,879
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Balance at 30 September 2013

325,242	269,424	1,600,000	6,596	3,035,398	5,236,660
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The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

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

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



M. A. Bawany
Director



Muhammad Rafique
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

1. STATUS AND NATURE OF BUSINESS

Pakistan Services Limited ("the Company") was incorporated on 6th December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange. The Company is principally engaged in the hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu & Kashmir. The Company also owns one small sized property in Lahore operating under the budget hotel concept. The Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2013 has been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), the International Accounting Standard 34 - Interim Financial Reporting issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim unconsolidated financial information do not include that reported for full audited financial statements and should therefore be read in conjunction with the audited financial statements for the year ended 30 June 2013. Comparative unconsolidated balance sheet is extracted from the audited unconsolidated financial statements as of 30 June 2013, whereas comparative unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information for the three months period ended 30 September 2012.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim unconsolidated financial information and financial risk management policy are the same as those applied in preparation of audited unconsolidated financial statements for the year ended 30 June 2013, except the following:

- the revision of International Accounting Standard on Employee Benefits (IAS 19) which is effective for annual periods beginning on or after January 01, 2013, the Company has accordingly changed its accounting policy for recognition of unrecognized actuarial gains / losses (remeasurement gains / losses) on employees' retirement benefit plan. In terms of the new policy, the remeasurement gains and losses are recognized immediately in other comprehensive income. The change in accounting policy has been accounted for retrospectively and the corresponding figures have been restated.

3.1. The following standards, amendments and interpretations of approved accounting standards have become effective during the period, are not expected to have significant impact on the Company's condensed interim unconsolidated financial information:

IAS 28 Investments in Associates and Joint Ventures (2011)	(effective 01 January 2013)
IAS 27 Separate Financial Statements (2011)	(effective 01 January 2013)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

	Unaudited 30 September 2013	Audited 30 June 2013
4. LONG TERM FINANCING - secured	(Rupees'000)	
From banking companies	525,000	583,333
Current portion	<u>(233,333)</u>	<u>(233,333)</u>
	<u>291,667</u>	<u>350,000</u>

The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2013.

	Unaudited 30 September 2013	Audited 30 June 2013
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - secured	(Rupees'000)	
Present value of minimum lease payments		
Balance at beginning of the period / year	24,504	30,968
Repayments during the period / year	<u>(1,912)</u>	<u>(6,464)</u>
	<u>22,592</u>	<u>24,504</u>
Current portion	<u>(5,966)</u>	<u>(7,853)</u>
	<u>16,626</u>	<u>16,651</u>

The markup rate, facility limit and securities offered for this lease finance arrangement are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2013.

	Unaudited 30 September 2013	Audited 30 June 2013
6. SHORT TERM BORROWINGS - secured	(Rupees'000)	
Running finance from banking companies	<u>216,117</u>	<u>75,395</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2013.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Contingencies are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 June 2013, except for the guarantees and commitments as disclosed below:

	Unaudited 30 September 2013	Audited 30 June 2013
	(Rupees'000)	
7.1.1 Guarantees	<u>128,986</u>	<u>128,736</u>
7.2 Commitments		
Commitments for capital expenditure	<u>43,282</u>	<u>65,757</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30 September 2013			Audited 30 June 2013		
	Owned assets	Leased assets	Total	Owned assets	Leased assets	Total
	----- (Rupees'000) -----					
Carrying value at beginning of the period/ year	22,958,453	28,595	22,987,048	22,476,378	30,987	22,507,365
Additions during the period/ year	187,328	-	187,328	756,155	2,210	758,365
Transfer on merger of subsidiary company during the period	381,765	-	381,765	-	-	-
Disposals/ transfer during the period/ year	(1,664)	-	(1,664)	(35,486)	-	(35,486)
Depreciation charge for the period/ year	(75,694)	(1,059)	(76,753)	(238,594)	(4,602)	(243,196)
Carrying value at end of the period/ year	<u>23,450,188</u>	<u>27,536</u>	<u>23,477,724</u>	<u>22,958,453</u>	<u>28,595</u>	<u>22,987,048</u>

	Note	Unaudited 30 September 2013	Audited 30 June 2013
		(Rupees'000)	
9. LONG TERM INVESTMENTS			
Balance at beginning of the period / year		781,635	1,315,377
Investment made during the period / year		-	125,580
Transferred to non-current asset held for sale		-	(586,403)
Impairment loss		-	(72,919)
Merger of subsidiary company during the period	9.1	<u>(480,280)</u>	-
		<u>301,355</u>	<u>781,635</u>

9.1. This represents merger of a wholly owned subsidiary M/s Musafa International (Private) Limited effective September 26, 2013, necessary accounting adjustment related to merger has been incorporated in this condensed interim unconsolidated financial information.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

	Three months ended 30 September	
	2013	2012
	(Rupees '000)	
10. SALES AND SERVICES - net		
Rooms	845,155	731,175
Food and beverages	969,045	903,360
Other related services	134,743	118,882
Parking fee	50	-
Shop license fees	5,172	1,719
	<u>1,954,165</u>	<u>1,755,136</u>
Discounts and commissions	(33,174)	(27,194)
Sales tax	(272,240)	(242,260)
	<u>1,648,751</u>	<u>1,485,682</u>
11. COST OF SALES AND SERVICES		
Food and beverages		
Opening balance	80,533	65,589
Purchases during the period	333,787	293,085
	<u>414,320</u>	<u>358,674</u>
Closing balance	(103,273)	(81,408)
Consumption during the period	<u>311,047</u>	<u>277,266</u>
Direct expenses		
Salaries, wages and benefits	246,786	217,533
Heat, light and power	239,298	226,561
Repairs and maintenance	70,749	60,130
Depreciation	69,078	61,119
Guest supplies	48,546	39,400
Linen, china and glassware	27,465	25,355
Communication and other related services	16,674	13,943
Banquet and decoration	14,965	10,132
Transportation	9,686	6,094
Uniforms	5,729	5,476
Music and entertainment	2,349	1,788
Others	3,279	3,743
	<u>1,065,651</u>	<u>948,540</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

	Three months ended 30 September	
	2013	2012
12. EARNINGS PER SHARE		
Profit for the period (Rupees '000)	<u>106,283</u>	<u>208,396</u>
Weighted average number of ordinary shares (Numbers)	<u>32,524,170</u>	<u>32,524,170</u>
Earnings per share- basic (Rupees)	<u>3.27</u>	<u>6.41</u>
There is no dilution effect on the basic earnings per share of the Company.		

13. TRANSACTIONS WITH RELATED PARTIES

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

	Three months ended 30 September	
	2013	2012
	(Rupees '000)	
Transactions with subsidiary companies		
Sales	358	372
Services provided	1,054	798
Services availed	11,347	9,364
Advances	35,000	-
Advance for equity investment	-	12,500
Transactions with associated undertakings		
Sales	290	428
Services provided	187	777
Services availed	25,380	22,204
Purchases	41,335	31,623
Purchase of air tickets	2,126	2,637
Franchise fee - income	465	597
Franchise and management fee - expense	1,763	1,747
Purchase of property, plant and equipment	2,169	3,821
Contribution to the defined contribution plan	6,028	4,980
Interest on short term advance	16,257	19,383
Transactions with key management personnel		
Remuneration and allowances including staff retirement benefits	25,947	17,273
Personal guarantees to Banks against the Company's borrowings (Note 4 & 5)		

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the three months period ended 30 September 2013

14. DATE OF AUTHORISATION FOR ISSUE

This unaudited condensed interim unconsolidated financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 30 October 2013.

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

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




M. A. Bawany
Director



Muhammad Rafique
Director





**CONDENSED
INTERIM
CONSOLIDATED
FINANCIAL
INFORMATION
(UNAUDITED)**

for the three months period
ended 30 September 2013

Condensed Interim Consolidated Balance Sheet

As at 30 September 2013

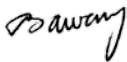
	Unaudited 30 September 2013	Audited 30 June 2013
	(Rupees'000)	
SHARE CAPITAL AND RESERVES		
Authorised share capital	500,000	500,000
50,000,000 (30 June 2013: 50,000,000) ordinary shares of Rs. 10 each		
Issued, subscribed and paid up share capital	325,242	325,242
Reserves	2,586,568	2,574,085
Unappropriated profit	2,479,555	2,321,690
	5,391,365	5,221,017
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	19,988,725	19,988,725
NON CURRENT LIABILITIES		
Long term financing - secured	4 291,667	350,000
Liabilities against assets subject to finance lease - secured	5 21,992	16,651
Deferred liabilities	443,929	379,445
	757,588	746,096
CURRENT LIABILITIES		
Trade and other payables	1,539,728	1,457,944
Markup accrued	20,132	20,689
Short term borrowings - secured	6 216,117	75,395
Current portion of long term financing and liabilities against assets subject to finance lease	242,184	243,081
	2,018,161	1,797,109
	28,155,839	27,752,947
CONTINGENCIES AND COMMITMENTS	7	

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

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

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

		Unaudited 30 September 2013	Audited 30 June 2013
	Note	(Rupees'000)	
NON CURRENT ASSETS			
Property, plant and equipment	8	23,561,441	23,449,336
Advance for capital expenditure		1,093,820	1,099,645
Investment property		47,000	47,000
Long term investments		964,357	859,751
Long term deposits and prepayments		36,975	35,049
		25,703,593	25,490,781
CURRENT ASSETS			
Stores, spare parts and loose tools		134,841	129,770
Stock in trade - food and beverages		103,273	80,533
Trade debts		639,779	570,770
Advances		624,142	590,273
Trade deposits and prepayments		88,907	77,970
Interest accrued		22,593	7,202
Other receivables		30,189	28,794
Other financial assets		34,839	32,652
Non current assets held for sale		597,203	597,203
Advance tax - net		54,172	17,726
Cash and bank balances		122,308	129,273
		2,452,246	2,262,166
		28,155,839	27,752,947



M. A. Bawany
Director



Muhammad Rafique
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the three months period ended 30 September 2013

	Note	Three months ended 30 September	
		2013	2012
		(Rupees'000)	
Sales and services - net	9	1,667,193	1,508,852
Cost of sales and services	10	(1,096,842)	(975,590)
Gross profit		570,351	533,262
Administrative expenses		(449,247)	(368,810)
Finance cost		(30,770)	(41,872)
Other income		128,334	110,435
		218,668	233,015
Share of gain in equity accounted investments - net		14,480	17,018
Profit before taxation		233,148	250,033
Taxation		(75,283)	(60,057)
Profit for the period		157,865	189,976

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

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

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



M. A. Bawany
Director



Muhammad Rafique
Director

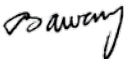
Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the three months period ended 30 September 2013

	Three months ended 30 September (Restated)	
	2013	2012
	(Rupees'000)	
Profit for the period	157,865	189,976
Other comprehensive income for the period		
Remeasurement gain on defined benefit plan- net of tax	6,596	6,390
Exchange gain on translation of long term investments in equity accounted investees	3,479	7,919
Surplus on remeasurement of available for sale securities	3,591	1,700
Deferred tax on other comprehensive income	(1,183)	(2,772)
Other comprehensive income for the period	5,887	6,847
Total comprehensive income for the period	170,348	203,213

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

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

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



M. A. Bawany
Director



Muhammad Rafique
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the three months period ended 30 September 2013

CASH FLOWS FROM OPERATING ACTIVITIES	Three months ended 30 September	
	2013	2012
	(Rupees'000)	
Profit before taxation	233,148	250,033
Adjustments for:		
Depreciation	89,920	82,089
Gain on disposal of property, plant and equipment	(2,367)	(1,236)
Gain on disposal of non current assets held for sale	-	(1,545)
Provision for staff retirement benefit - gratuity	14,981	13,649
Provision for compensated leave absences	8,337	5,987
Provision for doubtful debts	7,718	4,876
Return on bank deposits and term deposits receipts	(3,606)	(2,535)
Interest on short term advance to related party	(16,265)	(19,383)
Share of profit in equity accounted investments	(14,480)	(17,018)
Finance cost	30,770	41,872
Dividend income	(438)	-
Unrealised gain on remeasurement of investments to fair value - net	(1,256)	(1,751)
Reversal of impairment loss on investment in associated companies	(83,057)	(67,809)
	<u>263,405</u>	<u>287,229</u>
Working capital changes (Increase) / decrease in current assets		
Stores, spare parts and loose tools	(5,071)	(6,112)
Stock in trade - food and beverages	(22,740)	(15,819)
Trade debts	(76,727)	(54,639)
Advances	(33,869)	(15,064)
Trade deposits and prepayments	(10,937)	10,001
Other receivables	(1,395)	(3,483)
Increase in current liabilities		
Trade and other payables	81,784	(9,424)
Cash used in operations	<u>(68,955)</u>	<u>(94,540)</u>
Staff retirement benefit - gratuity paid	(5,921)	(9,992)
Compensated leave absences paid	(5,642)	(3,446)
Income tax paid	(53,587)	(51,041)
Finance cost paid	(31,327)	(39,568)
Net cash generated from operating activities	<u>97,973</u>	<u>88,642</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(153,493)	(65,478)
Additions to advance for capital expenditure	(35,463)	(237,661)
Proceeds from disposal of property, plant and equipment	4,044	2,899
Proceeds from disposal of non current assets held for sale	-	57,500
Purchase of other financial assets	(931)	(695)
Dividend income received	438	-
Receipts of return on bank deposits and term deposits receipts	4,480	2,759
Long term deposits	(1,926)	(3,390)
Net cash used in investing activities	<u>(182,851)</u>	<u>(244,066)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(58,333)	(41,667)
Repayment of liabilities against assets subject to finance lease	(4,476)	(10,138)
Net cash used in financing activities	<u>(62,809)</u>	<u>(51,805)</u>
Net decrease in cash and cash equivalents	(147,687)	(207,229)
Cash and cash equivalents at beginning of the period	53,878	76,854
Cash and cash equivalents at end of the period	<u>(93,809)</u>	<u>(130,375)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	122,308	80,999
Running finance	(216,117)	(211,374)
	<u>(93,809)</u>	<u>(130,375)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

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

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


M. A. Bawany
Director


Muhammad Rafique
Director

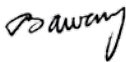
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the three months period ended 30 September 2013

	Capital reserve			Revenue reserves				Unappropriated profit	Total equity
	Share capital	Share premium	Share of associate's capital reserve	General reserve	Exchange translation reserve (net of tax)	Surplus on remeasurement of available for sale securities	Remeasurement gain on defined benefit plan (net of tax)		
(Rupees'000)									
Balance at 01 July 2012	325,242	269,424	147,221	1,600,000	409,384	80,049	-	1,850,057	4,681,377
Changes in equity for the period ended									
30 September 2012									
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	189,976	189,976
Other comprehensive income for the period	-	-	-	-	5,147	1,700	6,390	-	13,237
Total comprehensive income for the period	-	-	-	-	5,147	1,700	6,390	189,976	203,213
Balance at 30 September 2012 - Restated	325,242	269,424	147,221	1,600,000	414,531	81,749	6,390	2,040,033	4,884,590
Balance at 01 July 2013	325,242	269,424	147,221	1,600,000	463,027	94,413	-	2,321,690	5,221,017
Changes in equity for the period ended									
30 September 2013									
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	157,865	157,865
Other comprehensive income for the period	-	-	-	-	2,296	3,591	6,596	-	12,483
Total comprehensive income for the period	-	-	-	-	2,296	3,591	6,596	157,865	170,348
Balance at 30 September 2013	325,242	269,424	147,221	1,600,000	465,323	98,004	6,596	2,479,555	5,391,365

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

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

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



M. A. Bawany
Director



Muhammad Rafique
Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

1. THE GROUP AND ITS OPERATIONS

Pakistan Services Limited ("the Parent Company") was incorporated on 6th December 1958 in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) as a public limited company and is quoted on Karachi Stock Exchange. The Parent Company is principally engaged in hotel business and owns and operates the chain of Pearl Continental Hotels in Pakistan and Azad Jammu & Kashmir. The Parent Company also owns one small sized property in Lahore operating under the budget hotel concept. The Parent Company's registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad.

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

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%
Bhurban Resorts (Private) Limited	Non-operational	100%

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Company for the three months period ended 30 September 2013 has been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), the International Accounting Standard 34 - Interim Financial Reporting issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim consolidated financial information do not include that reported for full audited consolidated financial statements and should therefore be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2013. Comparative consolidated balance sheet is extracted from the audited consolidated financial statements as of 30 June 2013, whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information for the three months period ended 30 September 2012.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy are the same as those applied in preparation of audited consolidated financial statements for the year ended 30 June 2013, except the following:

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

- the revision of International Accounting Standard on Employee Benefits (IAS 19) which is effective for annual periods beginning on or after January 01, 2013, the Company has accordingly changed its accounting policy for recognition of unrecognized actuarial gains / losses (remeasurement gains / losses) on employees' retirement benefit plan. In terms of the new policy, the remeasurement gains and losses are recognized immediately in other comprehensive income. The change in accounting policy has been accounted for retrospectively and the corresponding figures have been restated.

- 3.1 The following standards, amendments and interpretations of approved accounting standards have become effective during the period, are not expected to have significant impact on the group's condensed interim consolidated financial information:

IAS 28 Investments in Associates and Joint Ventures (2011) (effective 01 January 2013)
IAS 27 Separate Financial Statements (2011) (effective 01 January 2013)

	Unaudited 30 September 2013	Audited 30 June 2013
	(Rupees'000)	
4. LONG TERM FINANCING - secured		
From banking companies	525,000	583,333
Current portion	<u>(233,333)</u>	<u>(233,333)</u>
	<u>291,667</u>	<u>350,000</u>

The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the audited consolidated financial statements of the Parent Company for the year ended 30 June 2013.

	Unaudited 30 September 2013	Audited 30 June 2013
5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - secured	(Rupees'000)	
Present value of minimum lease payments		
Balance at beginning of the period/ year	26,399	38,952
Additions during the period	8,920	-
Repayments during the period/ year	<u>(4,476)</u>	<u>(12,553)</u>
	<u>30,843</u>	<u>26,399</u>
Current portion	<u>(8,851)</u>	<u>(9,748)</u>
	<u>21,992</u>	<u>16,651</u>

The markup rates, facility limits and securities offered for these lease finance arrangement are the same as disclosed in the audited consolidated financial statements of the group for the year ended 30 June 2013 except the following:

- during the period the group availed a fresh lease finance facility of Rs. 8.920 million (30 June 2013: Nil) out of total limit of Rs. 50 million. The facility carries markup equal to 6-month KIBOR plus 1.45% per annum (30 June 2013: Nil) and secured by way of ownership of leased vehicles.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

	Unaudited 30 September 2013	Audited 30 June 2013
6. SHORT TERM BORROWINGS - secured	(Rupees'000)	
Running finance from banking companies	<u>216,117</u>	<u>75,395</u>

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Parent Company for the year ended 30 June 2013.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Contingencies are the same as disclosed in the audited consolidated financial statements of the group for the year ended 30 June 2013, except for the guarantees and commitments as disclosed below:

	Unaudited 30 September 2013	Audited 30 June 2013
	(Rupees'000)	
7.1.1 Guarantees	<u>128,986</u>	<u>128,737</u>
7.2 Commitments		
Commitments for capital expenditure	<u>43,282</u>	<u>65,757</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30 September 2013			Audited 30 June 2013		
	Owned assets	Leased assets	Total	Owned assets	Leased assets	Total
	------(Rupees '000)-----					
Carrying value at beginning of the period/ year	23,392,853	56,483	23,449,336	22,956,274	60,083	23,016,357
Additions during the period/ year	579,693	8,920	588,613	767,007	2,210	769,217
Transfer on merger of subsidiary company during the period	(381,765)	-	(381,765)	-	-	-
Disposals/ transfer during the period/ year	(1,676)	(3,147)	(4,823)	(37,215)	-	(37,215)
Depreciation charge for the period/ year	(88,404)	(1,516)	(89,920)	(293,213)	(5,810)	(299,023)
Carrying value at end of the period/ year	<u>23,500,701</u>	<u>60,740</u>	<u>23,561,441</u>	<u>23,392,853</u>	<u>56,483</u>	<u>23,449,336</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

		Three months ended 30 September	
9.	SALES AND SERVICES - net	2013	2012
		(Rupees'000)	
	Rooms	844,101	730,377
	Food and beverages	968,687	902,988
	Other related services	135,595	125,021
	Vehicles rental	18,022	17,633
	Parking fee	1,030	568
	Shop license fees	5,172	1,719
		<u>1,972,607</u>	<u>1,778,306</u>
	Discounts and commissions	(33,174)	(27,194)
	Sales tax	(272,240)	(242,260)
		<u>1,667,193</u>	<u>1,508,852</u>
10.	COST OF SALES AND SERVICES		
	Food and beverages		
	Opening balance	80,533	65,589
	Purchases during the period	<u>333,429</u>	<u>292,713</u>
		413,962	358,302
	Closing balance	<u>(103,273)</u>	<u>(81,408)</u>
	Consumption during the period	<u>310,689</u>	<u>276,894</u>
	Direct expenses		
	Salaries, wages and benefits	256,872	218,443
	Heat, light and power	239,598	226,561
	Repairs and maintenance	71,261	60,550
	Depreciation	81,957	75,031
	Guest supplies	48,546	39,400
	Linen, china and glassware	27,465	25,355
	Communication and other related services	16,691	13,956
	Banquet and decoration	14,965	10,132
	Transportation	3,434	5,398
	Uniforms	5,729	5,476
	Music and entertainment	2,349	1,806
	Insurance	1,041	983
	Vehicle operating expense	10,412	10,681
	Vehicle rental and registration charges	1,963	287
	Hotel bookings	70	73
	Others	3,800	4,564
		<u>1,096,842</u>	<u>975,590</u>

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the three months period ended 30 September 2013

11. TRANSACTIONS WITH RELATED PARTIES

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

	Three months ended 30 September	
	2013	2012
	(Rupees'000)	
Transactions with associated undertakings		
Sales	290	428
Services provided	2,758	3,737
Services availed	25,453	22,957
Purchases	41,335	31,689
Purchase of air tickets	2,176	7,098
Franchise fee - income	465	597
Franchise and management fee - expense	1,763	1,747
Purchase of property, plant and equipment	2,169	3,821
Contribution to the defined contribution plan	6,028	4,980
Interest on short term advance	16,257	19,383
Transactions with the key management personnel		
Remuneration and allowances including staff retirement benefits	25,947	17,273
Personal guarantees to Banks against the group's borrowings (Note 4 & 5)		

12. DATE OF AUTHORISATION FOR ISSUE

This unaudited condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Parent Company in its meeting held on 30 October 2013.

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

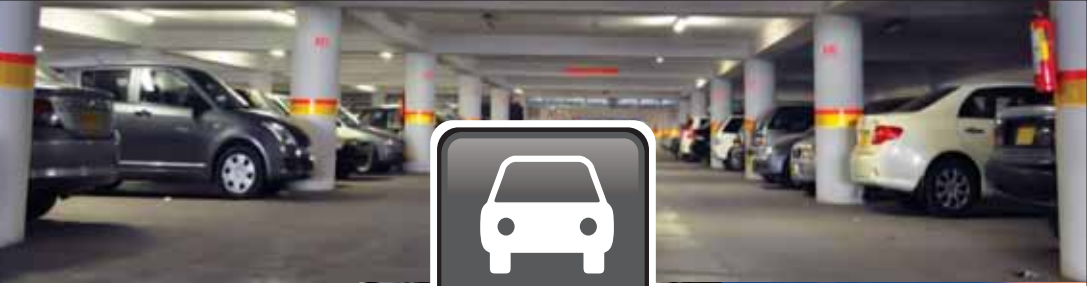
At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this condensed interim consolidated financial information, as approved by the Board of Directors, has been signed by two Directors.



M. A. Bawany
Director



Muhammad Rafique
Director



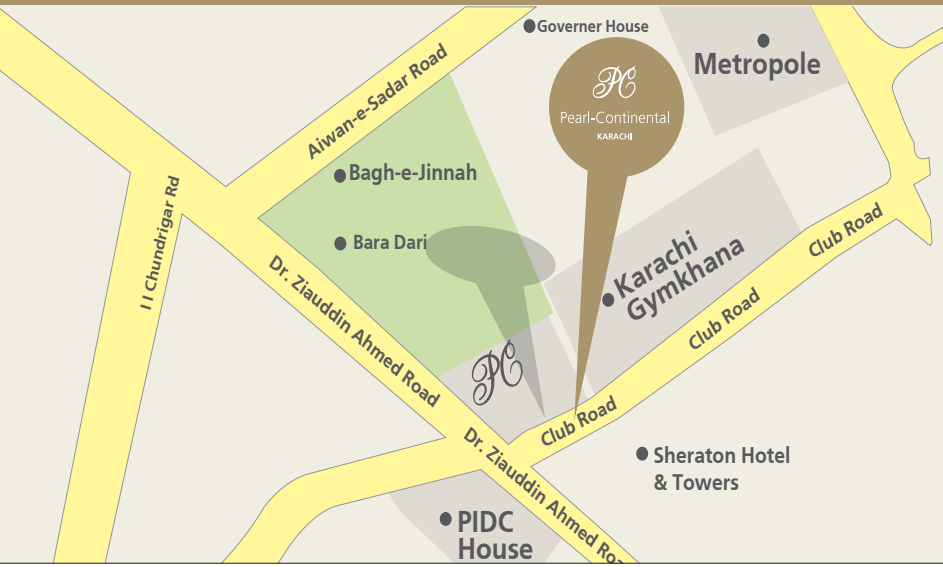
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KARACHI

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