CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

Cultured like no other pearl in the world.
CONDENSED INTERIM
FINANCIAL INFORMATION
(UNAUDITED)

FOR THE THREE MONTHS PERIOD
ENDED 30 SEPTEMBER 2016
Vision Statement

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

Mission Statement

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

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

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

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

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

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

BOARD OF DIRECTORS
Mr. Sadruddin Hashwani Chairman & CEO
Mr. Murtaza Hashwani
Mr. M.A. Bawany
Mr. Mansoor Akbar Ali
Syed Sajid Ali
Mr. Nikolaos Fragkos
Mr. Shakir Abu Bakar
Syed Haseeb Amjad Gardezi
Mr. M. Ahmed Ghazali Marghoob

BANKERS
National Bank of Pakistan
The Bank of Punjab
Habib Bank Limited
Soneri Bank Limited
United Bank Limited
Askari Bank Limited
JS Bank Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Industrial and Commercial Bank of China

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

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

AUDIT COMMITTEE
Mr. M. Ahmed Ghazali Marghoob
Mr. Mansoor Akbar Ali
Syed Sajid Ali
Mr. Shakir Abu Bakar

HUMAN RESOURCE & REMUNERATION COMMITTEE
Mr. M.A. Bawany
Syed Sajid Ali
Mr. Shakir Abu Bakar

CHIEF FINANCIAL OFFICER
Mr. Abdul Qadeer Khan

COMPANY SECRETARY
Mr. Mansoor Khan

LEGAL ADVISOR
M/s Liaquat Merchant & Associates

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

CONSENSUS INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

3
Directors’ Report

Dear Members,

The Board of Directors of Pakistan Services Limited (PSL) is pleased to present the condensed interim financial information on the performance of the Company for the first quarter ended on September 2016.

Economic Overview

Pakistan’s GDP growth is expected to reach 5.2% in the FY 2016-17, climbing from 4.7% of last year. The growth is expected to be accelerated due to cumulative impact of the government’s macroeconomic and structural reform program, lower prices of oil and improved security situation in the country. Implementation of reforms program by Government of Pakistan has also improved the economic condition in the country. As a result of improved economic growth prospects rating agencies have also improved their outlook for Pakistan over the past year. Pak rupees is holding steady against US currency and inflation rate is in check at 3.88% which is likely to sustain in the year 2016-17.

Improvement in industrial reforms, anticipated growth in service sector of Pakistan, with financial sector in lead, substantial growth in automobile sales, increase in port activity, higher telecom profit improvement in wholesale and retail trade are also showing signs of further improvement in economic growth.

Overall performance of the Company

During the first quarter ended September 2016, the Company achieved revenue (net) of Rs. 2,448 million, which is 18% higher than the revenue of Rs. 2,082 million recorded in the comparative period of the last year. The Gross profit percentage is 5% higher if compared with the corresponding period of the last year. The gain from investment in listed securities was registered Rs. 12 million as against Rs. 371 million of the corresponding period of last year, which is causing the dilution in bottom line number and the profit before taxation for the period recorded at Rs. 437 million as compared to Rs. 629 million for comparative period of last year.

Interim Dividend

The Board of Directors has declared interim cash dividend at 50% that is, Rs. 5/- per share.
Performance of Rooms Department

During the period Room revenue was recorded Rs. 1,173 million against Rs. 993 million of the corresponding period registering a growth of 18% during the period under review. The Occupancy during the period increased by 3% along with 13% increase in Average Daily Room Rate.

Performance of Food & Beverage (F&B) Department

Net revenue from this segment has been recorded at Rs. 1,169 million as compared to Rs. 992 million of same period last year, with increase of 18%.

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

The growth of 10% is recorded from this segment during the period under review revenue (net) of Rs. 106 million has been achieved as compared to Rs. 97 million in corresponding period.

Future Prospects

The stable law and order situation coupled with political and economic environment, together with development projects will certainly be beneficial for tourism and hospitality industry in Pakistan.

The Company is focusing on the projects towards modernization and expansion of its existing facilities, with special emphasis on latest technologies and improved services to remain the fore front-runner of hospitality industry in the country.

Consolidated Results

During the current period the group recorded a revenue (net) of Rs. 2,473 million as compared to Rs. 2,104 million of the same period last year registering increase of 18%. Profit after taxation is recorded at Rs. 307 million in comparison with Rs. 541 million in the corresponding period of last year.

Acknowledgement

On behalf of the Board, we thank the Company’s staff for their dedicated professional services. We also extend our gratitude to our consultants, bankers, advisers, and the shareholders for the advice, understanding and support that are critical for the success of our programs, projects and normal business operations. And lastly, our thankfulness to our valued guests, who always encouraged us to provide the best level of products and services to win their continued support and patronage.

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 Directors’ Report, as approved by the Board of Directors, have been signed by two Directors.

For and on behalf of the Board of Directors

M.A. Bawany
Director

Shakir Abu Bâkar
Director

Islamabad: October 31, 2016
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

Pakistani Services Limited (hereinafter referred to as "the Company") has the following material information relating to its performance and financial position:

Economic Overview

The economy of Pakistan has shown a robust growth in the recent quarters. The central bank has kept the policy rate at an unchanged level of 6.25% since September 2015. The government has also introduced a number of fiscal and monetary policies to support economic growth. The international oil prices have shown a significant decline, which has helped to lower the inflation rate. The government has also taken steps to increase the supply of electricity, which has helped to improve industrial production. The government has also taken steps to improve the ease of doing business in the country, which has helped to attract foreign investment. The government has also taken steps to improve the education and health sector, which has helped to improve the quality of life of the people.

Consolidated Interim Financial Information

For the three months period ended 30 September 2016, the Company has reported a net profit of Rs. 2,358,248,800. The profit for the period has been润大organizationnalized by higher revenue and lower expenses. The revenue of the Company has increased by 18% in the period compared to the corresponding period last year. The expenses of the Company have increased by 14% in the period compared to the corresponding period last year. The gross profit margin has improved by 4% in the period compared to the corresponding period last year. The operating profit margin has improved by 3% in the period compared to the corresponding period last year. The net profit margin has remained unchanged in the period compared to the corresponding period last year.

The Company has also declared a dividend of Rs. 1.00 per share, which is payable on 30 November 2016 to the shareholders of the Company.

Pakistani Services Limited

63, D-1, 2nd Floor, Faisalabad Industrial Estate, Faisalabad, Pakistan

Contact: Mr. Shahid Ali Khan

Tel: +92-41-9286000
Fax: +92-41-9286001
Email: info@pakserviceltd.com
Website: www.pakserviceltd.com

Pakistani Services Limited

63, D-1, 2nd Floor, Faisalabad Industrial Estate, Faisalabad, Pakistan

Contact: Mr. Shahid Ali Khan

Tel: +92-41-9286000
Fax: +92-41-9286001
Email: info@pakserviceltd.com
Website: www.pakserviceltd.com
## کارگروگی کے حوالہ

<table>
<thead>
<tr>
<th>سال</th>
<th>میں</th>
<th>اکتوبر 2014</th>
<th>ستمبر 2014</th>
</tr>
</thead>
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<tr>
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<td>0.108</td>
<td>0.108</td>
</tr>
<tr>
<td>میل 0.4</td>
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<td>0.329</td>
<td>0.329</td>
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<tr>
<td>میل 0.6</td>
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<td>میل 0.8</td>
<td></td>
<td>0.918</td>
<td>0.918</td>
</tr>
<tr>
<td>گری</td>
<td></td>
<td>12.55</td>
<td>12.55</td>
</tr>
</tbody>
</table>

## عبوری سالی

پورائے دو کام مزروعین نے 85% کی ضمانت سے دعوی کی ہے۔

## وحدائق یورش گزر (F&B)

افی شعبہ اور مرکز میں اکثر میں، ایک مرکز رائج ہے، جس کے تحت 93% سالی اور 93% بجٹ کا کام کیا گیا ہے۔

## کے کارکردگی

زمینی اور مرکزی مرکز کے کام کے بہت مہم تین ہزار کارکردوں کا کام کرتے ہیں۔

## مستقبل کے امکانات

مستقبل کے امکانات متعلقہ ایسی کمپنیوں کی روشنی نہیں ہے۔
For the three months period ended 30 September 2016

FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

For the three months period ended 30 September 2016.
CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016
## Condensed Interim Unconsolidated Balance Sheet

**As at 30 September 2016**

<table>
<thead>
<tr>
<th><strong>SHARE CAPITAL AND RESERVES</strong></th>
<th><strong>Unaudited</strong> 30 September 2016</th>
<th><strong>Audited</strong> 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised share capital</td>
<td>200,000,000 (30 June 2016: 200,000,000)</td>
<td>200,000,000</td>
</tr>
<tr>
<td>ordinary shares of Rs. 10 each</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up share capital</td>
<td>325,242</td>
<td>325,242</td>
</tr>
<tr>
<td>Reserves</td>
<td>1,869,424</td>
<td>1,869,424</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>5,798,422</td>
<td>5,580,999</td>
</tr>
<tr>
<td><strong>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</strong></td>
<td>7,993,088</td>
<td>7,775,665</td>
</tr>
<tr>
<td><strong>NON CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term financing - secured</td>
<td>1,964,336</td>
<td>2,187,001</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease - secured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td>703,788</td>
<td>703,672</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,696,240</td>
<td>1,603,418</td>
</tr>
<tr>
<td>Markup accrued</td>
<td>42,933</td>
<td>84,856</td>
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<tr>
<td>Short term borrowings - secured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of long term financing and liabilities against assets subject to finance lease</td>
<td>483,333</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td>2,222,506</td>
<td>2,188,274</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td>36,663,233</td>
<td>36,634,127</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 23 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, have been signed by two Directors.
**NON CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees'000)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Property, plant and equipment</td>
<td>31,731,476</td>
</tr>
<tr>
<td>10</td>
<td>Advance for capital expenditure</td>
<td>1,168,621</td>
</tr>
<tr>
<td>11</td>
<td>Investment property</td>
<td>45,000</td>
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<tr>
<td>12</td>
<td>Long term investments</td>
<td>1,042,228</td>
</tr>
<tr>
<td></td>
<td>Long term deposits and prepayments</td>
<td>19,707</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34,007,032</td>
</tr>
<tr>
<td></td>
<td></td>
<td>33,927,676</td>
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</tbody>
</table>

**CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees'000)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Stores, spare parts and loose tools</td>
<td>188,717</td>
</tr>
<tr>
<td></td>
<td>Stock in trade - food and beverages</td>
<td>99,908</td>
</tr>
<tr>
<td></td>
<td>Trade debts</td>
<td>676,210</td>
</tr>
<tr>
<td></td>
<td>Advances</td>
<td>105,438</td>
</tr>
<tr>
<td></td>
<td>Trade deposits and prepayments</td>
<td>92,051</td>
</tr>
<tr>
<td></td>
<td>Interest accrued</td>
<td>639</td>
</tr>
<tr>
<td></td>
<td>Other receivables</td>
<td>51,167</td>
</tr>
<tr>
<td></td>
<td>Other financial assets</td>
<td>1,220,719</td>
</tr>
<tr>
<td></td>
<td>Advance tax - net</td>
<td>28,958</td>
</tr>
<tr>
<td></td>
<td>Cash and bank balances</td>
<td>192,394</td>
</tr>
<tr>
<td></td>
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<td>2,656,201</td>
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<td></td>
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<td>2,706,451</td>
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<td></td>
<td>36,663,233</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36,634,127</td>
</tr>
</tbody>
</table>

Shakir Abu Bakar  
Director

M.A. Bawany  
Director
### Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>(Rupees'000)</th>
<th>Three months ended 30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>14</td>
<td>Sales and services - net</td>
<td>2,448,419</td>
</tr>
<tr>
<td>15</td>
<td>Cost of sales and services</td>
<td>(1,340,227)</td>
</tr>
<tr>
<td></td>
<td>Gross profit</td>
<td>1,108,192</td>
</tr>
<tr>
<td></td>
<td>Administrative expenses</td>
<td>(709,134)</td>
</tr>
<tr>
<td></td>
<td>Finance cost</td>
<td>(68,952)</td>
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<tr>
<td></td>
<td>Other income</td>
<td>107,055</td>
</tr>
<tr>
<td></td>
<td><strong>Profit before taxation</strong></td>
<td>437,161</td>
</tr>
<tr>
<td></td>
<td>Taxation</td>
<td>(138,428)</td>
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<tr>
<td></td>
<td><strong>Profit for the period</strong></td>
<td>298,733</td>
</tr>
<tr>
<td>16</td>
<td>Earnings per share - basic and diluted (Rupees)</td>
<td>9.18</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 23 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, have been signed by two Directors.

M.A. Bawany
Director

Shakir Abu Bakar
Director
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)
For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th></th>
<th>Three months ended 30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>(Rupees'000)</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>298,733</td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>298,733</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 23 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, have been signed by two Directors.

M.A. Bawany
Director

Shakir Abu Bâkar
Director
# Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the three months period ended 30 September 2016

## CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2016 (Rupees '000)</th>
<th>2015 (Rupees '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash flow from operating activities before working capital changes</td>
<td>664,169</td>
<td>414,420</td>
</tr>
<tr>
<td></td>
<td>Working capital changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Increase)/decrease in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores, spare parts and loose tools</td>
<td>(379)</td>
<td>(4,190)</td>
</tr>
<tr>
<td></td>
<td>Stock in trade - food and beverages</td>
<td>(3,719)</td>
<td>(7,005)</td>
</tr>
<tr>
<td></td>
<td>Trade debts</td>
<td>(149,339)</td>
<td>(106,506)</td>
</tr>
<tr>
<td></td>
<td>Advances</td>
<td>(5,240)</td>
<td>(50,387)</td>
</tr>
<tr>
<td></td>
<td>Trade deposits and prepayments</td>
<td>(22,782)</td>
<td>(16,432)</td>
</tr>
<tr>
<td></td>
<td>Other receivables</td>
<td>(2,517)</td>
<td>(19,511)</td>
</tr>
<tr>
<td></td>
<td>Increase in current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and other payables</td>
<td>12,229</td>
<td>65,508</td>
</tr>
<tr>
<td></td>
<td>Cash used in operations</td>
<td>(171,807)</td>
<td>(138,523)</td>
</tr>
<tr>
<td></td>
<td>Staff retirement benefit - gratuity paid</td>
<td>(6,609)</td>
<td>(3,608)</td>
</tr>
<tr>
<td></td>
<td>Compensated leave absences paid</td>
<td>(1,841)</td>
<td>(4,288)</td>
</tr>
<tr>
<td></td>
<td>Income tax paid</td>
<td>(95,372)</td>
<td>(111,853)</td>
</tr>
<tr>
<td></td>
<td>Finance cost paid</td>
<td>(108,540)</td>
<td>(57,063)</td>
</tr>
<tr>
<td></td>
<td>Net cash generated from operating activities</td>
<td>280,000</td>
<td>99,085</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016 (Rupees '000)</th>
<th>2015 (Rupees '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(226,167)</td>
<td>(370,790)</td>
</tr>
<tr>
<td>Advance for capital expenditure</td>
<td>(2,815)</td>
<td>(3,094)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>3,498</td>
<td>23,794</td>
</tr>
<tr>
<td>Advance against equity investment</td>
<td>(4,434)</td>
<td>-</td>
</tr>
<tr>
<td>Dividend income received</td>
<td>350</td>
<td>388</td>
</tr>
<tr>
<td>Return on bank deposits</td>
<td>5,740</td>
<td>12,763</td>
</tr>
<tr>
<td>Long term deposits and prepayments</td>
<td>(524)</td>
<td>(4,294)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(224,352)</td>
<td>(341,233)</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016 (Rupees '000)</th>
<th>2015 (Rupees '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of long term finance</td>
<td>(241,667)</td>
<td>(16,667)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(717)</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of liabilities against assets subject to finance lease</td>
<td>-</td>
<td>(2,409)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(242,384)</td>
<td>(19,076)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(186,736)</td>
<td>(261,224)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at beginning of the period 379,130
Cash and cash equivalents at end of the period 192,394

The annexed notes 1 to 23 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, have been signed by two Directors.

M.A. Bawany
Director

Shakir Abu Bakar
Director
## Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Capital reserve</th>
<th>Revenue reserves</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share premium</td>
<td>General reserve</td>
<td>Unappropriated profit</td>
</tr>
<tr>
<td>(Ruppees'000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 01 July 2015- as previously reported</td>
<td>325,242</td>
<td>269,424</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Effect of merger</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 01 July 2015- restated</td>
<td>325,242</td>
<td>269,424</td>
<td>1,600,000</td>
</tr>
</tbody>
</table>

### Changes in equity for the period ended 30 September 2015

#### Total comprehensive income for the period

| Profit for the period | - | - | - | 538,368 | 538,368 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 538,368 | 538,368 |

#### Transaction with owners of the Company

**Distribution:**

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

| - | - | - | (162,621) | (162,621) |

### Balance at 30 September 2015

| 325,242 | 269,424 | 1,600,000 | 5,672,093 | 7,866,759 |

### Balance at 01 July 2016

| 325,242 | 269,424 | 1,600,000 | 5,580,999 | 7,775,665 |

### Changes in equity for the period ended 30 September 2016

#### Total comprehensive income for the period

| Profit for the period | - | - | - | 298,733 | 298,733 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 298,733 | 298,733 |

#### Transaction with owners of the Company

**Distribution:**

Final cash dividend for the year ended 30 June 2016 declared subsequent to the year end (@ Rs. 2.50 per share)

| - | - | - | (81,310) | (81,310) |

### Balance at 30 September 2016

| 325,242 | 269,424 | 1,600,000 | 5,798,422 | 7,993,088 |

The annexed notes 1 to 23 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, have been signed by two Directors.

*Signature*

M.A. Bawany  
Director

Shakir Abu Bâkar  
Director
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

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 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.

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 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim unconsolidated financial information do not include the information that reported for annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2016. Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements for the year ended 30 June 2016, 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 2015.

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

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim unconsolidated financial information and financial risk management policy are the same as those applied in preparation of annual audited unconsolidated financial statements for the year ended 30 June 2016.

3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017 and are not expected
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the three months period ended 30 September 2016

to have any significant effect on condensed interim unconsolidated financial information of the Company:

- Amendments to IAS 7 ‘Statement of Cash Flows’ (effective 01 January 2017)
- Amendments to IAS 12 ‘Income Taxes’ (effective 01 January 2017)
- Amendments to IFRS 2 – ‘Share-based Payment’ (effective 01 January 2018)
- Amendments to IFRS 11 ‘Financial Instruments’ (effective 01 January 2018)

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

4. LONG TERM FINANCING - secured

From banking companies

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016 (Rupees'000)</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term finance loan</td>
<td>883,333</td>
<td>900,000</td>
</tr>
<tr>
<td>Syndicated term loan</td>
<td>1,564,336</td>
<td>1,787,001</td>
</tr>
<tr>
<td>Current portion</td>
<td>2,447,669</td>
<td>2,687,001</td>
</tr>
<tr>
<td>(483,333)</td>
<td>(483,333)</td>
<td>(500,000)</td>
</tr>
<tr>
<td>1,964,336</td>
<td>2,187,001</td>
<td></td>
</tr>
</tbody>
</table>

4.1 The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016.

5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE- secured

The markup rate, facility limit and securities offered for this lease finance arrangement are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016.
Notes to the Condensed Interim
Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

6. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>Unaudited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 September</td>
<td>30 June</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2016</td>
</tr>
<tr>
<td>Creditors</td>
<td>273,086</td>
<td>296,075</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>578,973</td>
<td>540,656</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>286,731</td>
<td>260,598</td>
</tr>
<tr>
<td>Shop deposits</td>
<td>55,305</td>
<td>54,395</td>
</tr>
<tr>
<td>Due to related parties - unsecured</td>
<td>15,017</td>
<td>9,416</td>
</tr>
<tr>
<td>Sales tax</td>
<td>111,062</td>
<td>96,159</td>
</tr>
<tr>
<td>Bed tax</td>
<td>-</td>
<td>60,359</td>
</tr>
<tr>
<td>Un-earned income</td>
<td>153,352</td>
<td>147,472</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>6.1</td>
<td>7,883</td>
</tr>
<tr>
<td></td>
<td>8,600</td>
<td></td>
</tr>
<tr>
<td>Dividend payable</td>
<td>6.1</td>
<td>81,310</td>
</tr>
<tr>
<td></td>
<td>83,282</td>
<td>83,138</td>
</tr>
<tr>
<td>Retention money</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>50,239</td>
<td>46,550</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,696,240</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,603,418</td>
</tr>
</tbody>
</table>

6.1 It includes an amount of Rs. 0.015 (30 June 2016: Rs. 0.015) million of related parties.

6.2 It includes an amount of Rs. 17,458 million of related parties.

7 SHORT TERM BORROWINGS - secured

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Contingencies are the same as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016 except for the commitments and guarantees as disclosed below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unaudited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 September</td>
<td>30 June</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2016</td>
</tr>
<tr>
<td>Guarantees - secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>190,243</td>
<td>190,243</td>
</tr>
</tbody>
</table>

This includes guarantee of Rs. 50 million (30 June 2016: Rs. 50 million), issued on behalf of a subsidiary company.

8.2 Commitments

Commitments for capital expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>Unaudited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>504,833</td>
<td>426,609</td>
</tr>
</tbody>
</table>
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

9. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Owned assets</th>
<th>Leased assets</th>
<th>Capital work in progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying value at beginning of the period</td>
<td>29,132,365</td>
<td>1,323,790</td>
<td>1,191,277</td>
<td>31,647,432</td>
</tr>
<tr>
<td>Additions during the period</td>
<td>97,402</td>
<td>-</td>
<td>141,223</td>
<td>238,625</td>
</tr>
<tr>
<td>Transfer from capital work in progress</td>
<td>53,544</td>
<td>-</td>
<td>(53,544)</td>
<td>-</td>
</tr>
<tr>
<td>Disposal during the period</td>
<td>(3,181)</td>
<td>-</td>
<td>-</td>
<td>(3,181)</td>
</tr>
<tr>
<td>Depreciation charge for the period</td>
<td>(151,400)</td>
<td>-</td>
<td>-</td>
<td>(151,400)</td>
</tr>
<tr>
<td>Carrying value at end of the period</td>
<td>29,128,730</td>
<td>1,323,790</td>
<td>1,278,956</td>
<td>31,731,476</td>
</tr>
</tbody>
</table>

Carrying value at beginning of the year                           26,518,177   1,344,934  1,034,293  28,897,404
Additions during the year                                          2,642,899    -           649,191    3,292,090
Transfer from capital work in progress                            492,207      -           (492,207)  -
Disposal during the year                                           (33,011)     -           -          (33,011)
Depreciation charge for the year                                   (506,089)    (2,962)    -           (509,051)
Transfer from leased assets                                        18,182       (18,182)    -          -
Carrying value at end of the year                                  29,132,365   1,323,790   1,191,277  31,647,432

10 ADVANCE FOR CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>Note (Rupees'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of land</td>
<td>666,820</td>
</tr>
<tr>
<td>Purchase of apartment</td>
<td>40,509</td>
</tr>
<tr>
<td>Malir Delta Land</td>
<td>381,656</td>
</tr>
<tr>
<td>Advance for purchase of fixed assets</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>79,636</td>
</tr>
<tr>
<td></td>
<td>1,168,621</td>
</tr>
<tr>
<td></td>
<td>1,173,612</td>
</tr>
</tbody>
</table>

10.1 This represents amount paid for purchase of 113.34 acres of land and fee for regularization of land as per the value assessed by the Land Regularization Committee established by the Government of Sindh under the Sindh Ordinance, 2001. The Honourable High Court of Sindh at Karachi dismissed the Constitution Petition filed by the Company challenging the impugned order of the Accountability Court Karachi declaring that any transfer of title or creation of any third party interest in the said land was declared void. The Company being aggrieved and dissatisfied with this impugned judgment for dismissal of its Constitution Petition has filed a Civil petition for leave to Appeal (CPLA) in the Honourable Supreme Court of Pakistan which is pending. Though the management is hopeful for favourable outcome of this matter, in the eventuality of an adverse outcome, the management, on the basis of legal opinion, believes that the Company will seek recovery of purchase consideration and land regularization fee paid to the seller and Land Regularization Department respectively.
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

11 LONG TERM INVESTMENTS
During the period the Company made advance against equity amounting to Rs. 4,434 million in Wholly owned Subsidiary Company M/s Elite Properties (Private) Limited against issuance of 443,400 ordinary shares of Rs. 10 each.

12 ADVANCES
It includes advance to related parties for rendering of services and purchase of goods to M/s Hashoo Foundation Rs. 16.097 million (30 June 2016: Rs. 12.275 million), M/s Genesis Trading (Private) Limited Rs. 4.958 million (30 June 2016: Rs. 8.441 million), and M/s Cera-e-Noor Rs. 1.791 million (30 June 2016: Rs. Nil).

13 OTHER FINANCIAL ASSETS
This mainly includes investment in an associated company having carrying value of Rs. 1,201 million (30 June 2016: Rs. 1,190 million).

14 SALES AND SERVICES - net

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 September</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
<tr>
<td>Rooms</td>
<td>1,364,179</td>
<td>1,155,348</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>1,371,686</td>
<td>1,168,015</td>
</tr>
<tr>
<td>Other related services</td>
<td>132,418</td>
<td>123,321</td>
</tr>
<tr>
<td>Shop license fees</td>
<td>9,782</td>
<td>8,059</td>
</tr>
<tr>
<td></td>
<td>2,878,065</td>
<td>2,454,743</td>
</tr>
<tr>
<td>Discounts and commissions</td>
<td>(39,190)</td>
<td>(34,430)</td>
</tr>
<tr>
<td>Sales tax</td>
<td>(390,456)</td>
<td>(338,465)</td>
</tr>
<tr>
<td></td>
<td>2,448,419</td>
<td>2,081,848</td>
</tr>
</tbody>
</table>

15 COST OF SALES AND SERVICES

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 September</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
<tr>
<td>Food and beverages</td>
<td>98,179</td>
<td>90,715</td>
</tr>
<tr>
<td>Opening balance</td>
<td>411,158</td>
<td>383,536</td>
</tr>
<tr>
<td>Purchases during the period</td>
<td>(99,908)</td>
<td>(97,720)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>409,429</td>
<td>376,531</td>
</tr>
</tbody>
</table>

Direct expenses

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 September</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and benefits</td>
<td>354,701</td>
<td>325,407</td>
</tr>
<tr>
<td>Heat, light and power</td>
<td>219,541</td>
<td>233,063</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>69,822</td>
<td>65,359</td>
</tr>
<tr>
<td>Depreciation</td>
<td>136,260</td>
<td>103,852</td>
</tr>
<tr>
<td>Guest supplies</td>
<td>56,373</td>
<td>52,037</td>
</tr>
<tr>
<td>Linen, china and glassware</td>
<td>24,271</td>
<td>27,008</td>
</tr>
<tr>
<td>Communication and other related services</td>
<td>18,136</td>
<td>19,472</td>
</tr>
<tr>
<td>Banquet and decoration</td>
<td>20,010</td>
<td>16,017</td>
</tr>
<tr>
<td>Transportation</td>
<td>13,666</td>
<td>11,567</td>
</tr>
<tr>
<td>Uniforms</td>
<td>6,132</td>
<td>5,989</td>
</tr>
<tr>
<td>Music and entertainment</td>
<td>2,737</td>
<td>2,779</td>
</tr>
<tr>
<td>Others</td>
<td>9,149</td>
<td>6,209</td>
</tr>
<tr>
<td></td>
<td>1,340,227</td>
<td>1,245,290</td>
</tr>
</tbody>
</table>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

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14 SALES AND SERVICES - net

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
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<tbody>
<tr>
<td></td>
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<tr>
<td></td>
<td>2,448,419</td>
<td>2,081,848</td>
</tr>
</tbody>
</table>

15 COST OF SALES AND SERVICES

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

Direct expenses

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<tr>
<th></th>
<th>Three months ended</th>
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</tr>
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<tr>
<td></td>
<td>30 September</td>
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</tr>
<tr>
<td>Repairs and maintenance</td>
<td>69,822</td>
<td>65,359</td>
</tr>
<tr>
<td>Depreciation</td>
<td>136,260</td>
<td>103,852</td>
</tr>
<tr>
<td>Guest supplies</td>
<td>56,373</td>
<td>52,037</td>
</tr>
<tr>
<td>Linen, china and glassware</td>
<td>24,271</td>
<td>27,008</td>
</tr>
<tr>
<td>Communication and other related services</td>
<td>18,136</td>
<td>19,472</td>
</tr>
<tr>
<td>Banquet and decoration</td>
<td>20,010</td>
<td>16,017</td>
</tr>
<tr>
<td>Transportation</td>
<td>13,666</td>
<td>11,567</td>
</tr>
<tr>
<td>Uniforms</td>
<td>6,132</td>
<td>5,989</td>
</tr>
<tr>
<td>Music and entertainment</td>
<td>2,737</td>
<td>2,779</td>
</tr>
<tr>
<td>Others</td>
<td>9,149</td>
<td>6,209</td>
</tr>
<tr>
<td></td>
<td>1,340,227</td>
<td>1,245,290</td>
</tr>
</tbody>
</table>
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th></th>
<th>Unaudited</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three months ended</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>30 September</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
</tbody>
</table>

16. **EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period (Rupees ‘000)</td>
<td>298,733</td>
<td>538,368</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares (Numbers)</td>
<td>32,524,170</td>
<td>32,524,170</td>
</tr>
<tr>
<td>Earnings per share - basic (Rupees)</td>
<td>9.18</td>
<td>16.55</td>
</tr>
</tbody>
</table>

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

17. **CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>437,169</td>
<td>628,770</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>151,400</td>
<td>115,391</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(317)</td>
<td>(2,123)</td>
</tr>
<tr>
<td>Provision for staff retirement benefit - gratuity</td>
<td>12,498</td>
<td>18,945</td>
</tr>
<tr>
<td>Provision for compensated leave absences</td>
<td>10,402</td>
<td>8,644</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>1,924</td>
<td>14,105</td>
</tr>
<tr>
<td>Return on bank deposits</td>
<td>(5,368)</td>
<td>(12,261)</td>
</tr>
<tr>
<td>Interest on short term advance to related party</td>
<td>-</td>
<td>(12,779)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>68,952</td>
<td>27,253</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(350)</td>
<td>(388)</td>
</tr>
<tr>
<td>Unrealised Gain on remeasurement of investments to fair value - net</td>
<td>(12,133)</td>
<td>(371,137)</td>
</tr>
<tr>
<td></td>
<td>664,169</td>
<td>414,420</td>
</tr>
</tbody>
</table>

18. **CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td>192,394</td>
<td>504,346</td>
</tr>
</tbody>
</table>
Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

19 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. Balances as of this reporting date with related parties are disclosed in notes 6, 8.11, 12, and 13 to the condensed interim unconsolidated financial information. Other balances and transactions with related parties are as follows:

<table>
<thead>
<tr>
<th>Three months ended 30 September</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rupees'000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transactions and balances with subsidiary companies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>725</td>
<td>266</td>
</tr>
<tr>
<td>Services provided</td>
<td>3,010</td>
<td>1,063</td>
</tr>
<tr>
<td>Services availed</td>
<td>15,413</td>
<td>14,665</td>
</tr>
<tr>
<td>Advance against equity</td>
<td>4,434</td>
<td>-</td>
</tr>
<tr>
<td>Balances as at the period end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade debts</td>
<td>5,203 *</td>
<td>2,484 *</td>
</tr>
<tr>
<td>- Long term investments</td>
<td>1,042,228</td>
<td>1,037,794</td>
</tr>
<tr>
<td>- Advances</td>
<td>566 *</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transactions and balances with associated undertakings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>75</td>
<td>202</td>
</tr>
<tr>
<td>Services provided</td>
<td>562</td>
<td>478</td>
</tr>
<tr>
<td>Services availed</td>
<td>13,596</td>
<td>6,563</td>
</tr>
<tr>
<td>Purchases</td>
<td>22,572</td>
<td>10,285</td>
</tr>
<tr>
<td>Purchase of air tickets</td>
<td>-</td>
<td>7,503</td>
</tr>
<tr>
<td>Franchise fee - income</td>
<td>1,158</td>
<td>814</td>
</tr>
<tr>
<td>Franchise and management fee - expense</td>
<td>2,641</td>
<td>2,360</td>
</tr>
<tr>
<td>Interest income on advance</td>
<td>-</td>
<td>12,779</td>
</tr>
<tr>
<td>Balances as at the period end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade debts</td>
<td>15,579 *</td>
<td>3,917 *</td>
</tr>
<tr>
<td>- Advance for capital expenditure</td>
<td>-</td>
<td>3,500 *</td>
</tr>
<tr>
<td>- Prepayments</td>
<td>8,927 *</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transactions and balances with other related parties</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services provided</td>
<td>32</td>
<td>57</td>
</tr>
<tr>
<td>Services availed</td>
<td>11,427</td>
<td>12,860</td>
</tr>
<tr>
<td>Purchases</td>
<td>965</td>
<td>9,056</td>
</tr>
<tr>
<td>Contribution to defined contribution plan - provident fund</td>
<td>9,096</td>
<td>8,087</td>
</tr>
<tr>
<td>Balances as at the period end:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade debts</td>
<td>739 *</td>
<td>11,172 *</td>
</tr>
<tr>
<td>- Advance for capital expenditure</td>
<td>626,820</td>
<td>626,820 *</td>
</tr>
<tr>
<td>- Prepayments</td>
<td>-</td>
<td>5,208 *</td>
</tr>
<tr>
<td><strong>Transactions with key management personnel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remuneration and allowances including staff retirement benefits</td>
<td>15,698</td>
<td>14,379</td>
</tr>
<tr>
<td>Personal guarantees to Banks against the Company’s borrowings (Notes 4 and 5)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Represents balance as at 30 June 2016
FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

<table>
<thead>
<tr>
<th>On-balance sheet financial instruments</th>
<th>Note</th>
<th>Carrying amount</th>
<th>Fair value through profit and loss</th>
<th>Loans and receivables</th>
<th>Other financial liabilities</th>
<th>Total</th>
<th>Level 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-Sep-16</td>
<td></td>
<td>(Rupees’000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets measured at fair value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets not measured at fair value</td>
<td>20.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term deposits</td>
<td></td>
<td>18,082</td>
<td></td>
<td></td>
<td></td>
<td>18,082</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debts</td>
<td></td>
<td>676,210</td>
<td></td>
<td></td>
<td></td>
<td>676,210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance to employees</td>
<td></td>
<td>28,329</td>
<td></td>
<td></td>
<td></td>
<td>28,329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade deposits</td>
<td></td>
<td>18,073</td>
<td></td>
<td></td>
<td></td>
<td>18,073</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest accrued</td>
<td></td>
<td>639</td>
<td></td>
<td></td>
<td></td>
<td>639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>51367</td>
<td></td>
<td></td>
<td></td>
<td>51367</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Deposit Receipt</td>
<td></td>
<td>9,523</td>
<td></td>
<td></td>
<td></td>
<td>9,523</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td>994,417</td>
<td></td>
<td></td>
<td></td>
<td>994,417</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,211,196</td>
<td></td>
<td></td>
<td></td>
<td>1,211,196</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)**

For the three months period ended 30 September 2016

### On-balance sheet financial instruments

#### 30-Sep-16

<table>
<thead>
<tr>
<th>Financial liabilities not measured at fair value</th>
<th>Note</th>
<th>Carrying amount</th>
<th>Fair value through profit and loss</th>
<th>Loans and receivables</th>
<th>Other financial liabilities</th>
<th>Total</th>
<th>Level 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term financing - secured</td>
<td>20.2</td>
<td>- 2,447,669</td>
<td>-</td>
<td>- 2,447,669</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>20.3</td>
<td>- 1,134,538</td>
<td>-</td>
<td>- 1,134,538</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Markup accrued</td>
<td>-</td>
<td>- 42,933</td>
<td>-</td>
<td>- 42,933</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>- 3,625,140</td>
<td>-</td>
<td>- 3,625,140</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 30-Jun-16

<table>
<thead>
<tr>
<th>Financial assets measured at fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial assets</td>
</tr>
</tbody>
</table>

#### Financial assets not measured at fair value | 20.2

| Long term deposits | - | 22,213 | - | 22,213 | - | - |
| Trade debts | - | 528,735 | - | 528,735 | - | - |
| Advance to employees | - | 24,674 | - | 24,674 | - | - |
| Trade deposits | - | 17,209 | - | 17,209 | - | - |
| Interest accrued | - | 1,011 | - | 1,011 | - | - |
| Other receivables | - | 48,650 | - | 48,650 | - | - |
| Term Deposit Receipt | - | 9,523 | - | 9,523 | - | - |
| Cash and bank balances | - | 379,130 | - | 379,130 | - | - |
| **Total** | - | 1,031,145 | - | 1,031,145 | - | - |

#### Financial liabilities not measured at fair value | 20.2

| Long term financing - secured | - | 2,687,001 | - | 2,687,001 | - | - |
| Trade and other payables | 20.3 | - 1,032,353 | - | 1,032,353 | - | - |
| Markup accrued | - | - 84,856 | - | 84,856 | - | - |
| **Total** | - | 3,804,210 | - | 3,804,210 | - | - |

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

20.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable, banquet/beverage tax, unearned income and income tax deducted at source.
Notes to the Condensed Interim
Unconsolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

21 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors, in its meeting held on 31 October 2016, has declared an interim cash dividend of Rs. 5/- per share.

22 DATE OF APPROVAL

This unaudited condensed interim unconsolidated financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 31 October 2016.

23 GENERAL

The figures of the corresponding period have been re-arranged for better presentation.

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, have been signed by two Directors.

M.A. Bawany
Director

Shakir Abu Bakar
Director
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2016
## Condensed Interim Consolidated Balance Sheet
### As at 30 September 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
</tbody>
</table>

### SHARE CAPITAL AND RESERVES

- **Authorised share capital**
  - 200,000,000 (30 June 2016: 200,000,000) ordinary shares of Rs. 10 each
  - 2,000,000

- **Issued, subscribed and paid up share capital**
  - 325,242
- **Reserves**
  - 2,650,630
- **Unappropriated profit**
  - 4,853,511

- **Unappropriated profit**
  - 7,829,383

### SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

- 23,779,515

### NON CURRENT LIABILITIES

- **Long term financing - secured**
  - 1,964,336
- **Liabilities against assets subject to finance lease - secured**
  - 4,064
- **Deferred liabilities**
  - 701,571

- **Total Non Current Liabilities**
  - 2,669,971

### CURRENT LIABILITIES

- **Trade and other payables**
  - 1,718,389
- **Markup accrued**
  - 43,062
- **Short term borrowings - secured**
  - 701,571

- **Current portion of long term financing and liabilities against assets subject to finance lease**
  - 493,290

- **Total Current Liabilities**
  - 36,748,044

### CONTINGENCIES AND COMMITMENTS

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this Condensed Interim Consolidated Financial Information, as approved by the Board of Directors, have been signed by two Directors.
### NON CURRENT ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>(Rupees'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>32,098,830</td>
</tr>
<tr>
<td>10</td>
<td>1,173,621</td>
</tr>
<tr>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td></td>
<td>1,201,081</td>
</tr>
<tr>
<td></td>
<td>21,969</td>
</tr>
<tr>
<td></td>
<td>32,019,383</td>
</tr>
<tr>
<td></td>
<td>1,173,121</td>
</tr>
<tr>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td></td>
<td>1,190,250</td>
</tr>
<tr>
<td></td>
<td>26,332</td>
</tr>
<tr>
<td></td>
<td>34,540,501</td>
</tr>
<tr>
<td></td>
<td>34,454,577</td>
</tr>
</tbody>
</table>

### CURRENT ASSETS

<table>
<thead>
<tr>
<th>(Rupees'000)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>188,717</td>
<td>188,338</td>
</tr>
<tr>
<td></td>
<td>99,908</td>
<td>96,189</td>
</tr>
<tr>
<td></td>
<td>592,901</td>
<td>592,901</td>
</tr>
<tr>
<td></td>
<td>695,841</td>
<td>550,167</td>
</tr>
<tr>
<td></td>
<td>110,017</td>
<td>103,268</td>
</tr>
<tr>
<td>11</td>
<td>96,378</td>
<td>74,913</td>
</tr>
<tr>
<td></td>
<td>650</td>
<td>1,011</td>
</tr>
<tr>
<td></td>
<td>51,794</td>
<td>48,832</td>
</tr>
<tr>
<td>12</td>
<td>28,938</td>
<td>27,613</td>
</tr>
<tr>
<td></td>
<td>64,232</td>
<td>122,157</td>
</tr>
<tr>
<td></td>
<td>278,167</td>
<td>459,779</td>
</tr>
<tr>
<td></td>
<td>2,207,543</td>
<td>2,265,168</td>
</tr>
<tr>
<td></td>
<td>36,748,044</td>
<td>36,719,745</td>
</tr>
</tbody>
</table>

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M.A. Bawany  
Director

Shakir Abu Bakar  
Director
### Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>Three months ended 30 September</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services - net</td>
<td>13</td>
<td>2,472,627</td>
<td>2,104,067</td>
</tr>
<tr>
<td>Cost of sales and services</td>
<td>14</td>
<td>(1,365,564)</td>
<td>(1,269,383)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>1,107,063</td>
<td>834,684</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>(708,756)</td>
<td>(604,050)</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td>(69,931)</td>
<td>(28,133)</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>101,710</td>
<td>388,403</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>-</td>
<td>(935)</td>
</tr>
<tr>
<td>Share of profit in equity accounted investments</td>
<td></td>
<td>18,183</td>
<td>25,792</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td>448,269</td>
<td>615,761</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td>(141,320)</td>
<td>(74,601)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td></td>
<td>306,949</td>
<td>541,160</td>
</tr>
</tbody>
</table>

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this Condensed Interim Consolidated Financial Information, as approved by the Board of Directors, have been signed by two Directors.

**M.A. Bawany**  
Director

**Shakir Abu Bakar**  
Director
Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
For the three months period ended 30 September 2016

Three months ended 30 September
2016 2015
(Rupees’000)

Profit for the period 306,949 541,160

Other comprehensive income for the period

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items to be reclassified to profit and loss account in subsequent periods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange gain on translation of long term investments in equity accounted investees</td>
<td>-</td>
<td>1,567</td>
</tr>
<tr>
<td>Surplus on remeasurement of available for sale securities</td>
<td>(11,205)</td>
<td>10,575</td>
</tr>
<tr>
<td>Share of experience adjustments on defined benefit obligation of associate</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td>Deferred tax on other comprehensive income</td>
<td>-</td>
<td>(470)</td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>(11,205)</td>
<td>11,728</td>
</tr>
</tbody>
</table>

Total comprehensive income for the period 295,744 552,888

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this Condensed Interim Consolidated Financial Information, as approved by the Board of Directors, have been signed by two Directors.

M.A. Bawany
Director

Shakir Abu Bākar
Director
# Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>Three months ended 30 September 2016 (Rupees'000)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities before working capital changes</td>
<td>668,001</td>
<td>15</td>
</tr>
<tr>
<td>Working capital changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/ decrease in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spare parts and loose tools</td>
<td>(379)</td>
<td></td>
</tr>
<tr>
<td>Stock in trade - food and beverages</td>
<td>(3,719)</td>
<td></td>
</tr>
<tr>
<td>Trade debts</td>
<td>(147,598)</td>
<td></td>
</tr>
<tr>
<td>Advances</td>
<td>(6,749)</td>
<td></td>
</tr>
<tr>
<td>Trade deposits and prepayments</td>
<td>(21,465)</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>(2,962)</td>
<td></td>
</tr>
<tr>
<td>Increase/ (decrease) in current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18,021</td>
<td></td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>(164,851)</td>
<td></td>
</tr>
<tr>
<td>Staff retirement benefit - gratuity paid</td>
<td>(6,609)</td>
<td></td>
</tr>
<tr>
<td>Compensated leave absences paid</td>
<td>(1,841)</td>
<td></td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(96,439)</td>
<td></td>
</tr>
<tr>
<td>Finance cost paid</td>
<td>(109,566)</td>
<td></td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>288,695</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>Three months ended 30 September 2016 (Rupees'000)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(226,462)</td>
<td></td>
</tr>
<tr>
<td>Advance for capital expenditure</td>
<td>(7,815)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>4,548</td>
<td></td>
</tr>
<tr>
<td>Purchase of other financial assets</td>
<td>(23)</td>
<td></td>
</tr>
<tr>
<td>Dividend income</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>Return on bank deposits and term deposits receipts</td>
<td>6,623</td>
<td></td>
</tr>
<tr>
<td>Long term deposits and prepayments</td>
<td>(292)</td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(223,071)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th>Three months ended 30 September 2016 (Rupees'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of long term financing</td>
<td>(241,667)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(717)</td>
</tr>
<tr>
<td>Repayment of liabilities against assets subject to finance lease</td>
<td>(4,852)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(247,236)</td>
</tr>
</tbody>
</table>

| Net decrease in cash and cash equivalents | (181,612) | (258,758) |

| Cash and cash equivalents at beginning of the period | 459,779 | 780,396 |
| Cash and cash equivalents at end of the period | 278,167 | 521,638 |

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this Condensed Interim Consolidated Financial Information, as approved by the Board of Directors, have been signed by two Directors.

M.A. Bawany  
Director

Shakir Abu Bakar  
Director
### Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three months period ended 30 September 2016

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Capital reserve</th>
<th>Revenue reserves</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share premium</td>
<td>Share of associate’s capital reserve</td>
<td>Exchange translation reserve (net of tax)</td>
</tr>
<tr>
<td>(Rupees’000)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Balance at 01 July 2015- as previously reported

| 325,242 | 269,424 | 147,221 | 1,600,000 | 462,184 | 185,365 | 4,603,638 | 7,593,074 |

#### Effect of restatement

- - - - - 8,410 - (26,239) (17,829)

#### Balance at 01 July 2015- restated

| 325,242 | 269,424 | 147,221 | 1,600,000 | 470,594 | 185,365 | 4,577,399 | 7,575,245 |

#### Changes in equity for the period ended 30 September 2015

- Profit for the period
  - - - - - - - 541,160 541,160
- Other comprehensive income for the period
  - - - - 1,097 10,575 56 11,728
- Total comprehensive income for the period
  - - - - - 1,097 10,575 541,216 552,888

#### Transaction with owners of the Company

**Distribution:**

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

| 325,242 | 269,424 | 147,221 | 1,600,000 | 471,691 | 195,940 | 4,955,994 | 7,965,512 |

#### Balance at 30 September 2015

| 325,242 | 269,424 | 147,221 | 1,600,000 | 493,439 | 140,546 | 4,853,511 | 7,829,383 |

#### Balance at 01 July 2016

| 325,242 | 269,424 | 147,221 | 1,600,000 | 493,439 | 129,341 | 5,079,150 | 8,043,817 |

#### Changes in equity for the period ended 30 September 2016

- Profit for the period
  - - - - - - - 306,949 306,949
- Other comprehensive income for the period
  - - - - - (11,205) - (11,205)
- Total comprehensive income for the period
  - - - - - (11,205) 306,949 295,744

#### Transaction with owners of the Company

**Distribution:**

Final cash dividend for the year ended 30 June 2016 declared subsequent to the year end (@ Rs. 2.50 per share)

| 325,242 | 269,424 | 147,221 | 1,600,000 | 493,439 | 129,341 | 5,079,150 | 8,043,817 |

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

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

At the time of the meeting of the Board of Directors, the Chief Executive of the Parent Company was not in Pakistan, as such this Condensed Interim Consolidated Financial Information, as approved by the Board of Directors, have been signed by two Directors:

M.A. Bawany
Director

Shakir Abu Bakar
Director
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

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 Pakistan Stock Exchange Limited. The Parent Company’s registered office is situated at 1st Floor, NESPAK House, Sector G-5/2, Islamabad. The Parent Company is principally engaged in the hotel business and owns and manages the chain of Pearl Continental Hotels in Karachi, Lahore, Rawalpindi, Bhurban, Peshawar and Muzaffarabad Azad Jammu & Kashmir. The Parent Company also owns one small sized property in Lahore operating under the budget hotel concept. The Parent Company also grants franchise to use its trade mark and name “Pearl Continental”.

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

1.1 This condensed interim consolidated financial information includes the condensed interim financial information of the Parent Company and the following Subsidiary Companies together constituting “the Group”:

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

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

This condensed interim consolidated financial information is unaudited and being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy are the same as those applied in preparation of annual audited consolidated financial statements for the year ended 30 June 2016.

3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017 and are not expected to have any significant effect on condensed interim consolidated financial information:

- Amendments to IAS 7 ‘Statement of Cash Flows’ (effective 01 January 2017)
- Amendments to IAS 12 ‘Income Taxes’ (effective 01 January 2017)
- Amendments to IFRS 2 – ‘Share-based Payment’ (effective 01 January 2018)
- Amendments to IFRS 11 ‘Financial Instruments’ (effective 01 January 2018)

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

4. LONG TERM FINANCING - secured

From banking companies

Term finance loan
Syndicated term loan
Current portion

4.1 The markup rates, facility limits and securities offered for these long term financing facilities are the same as disclosed in the annual audited consolidated financial statements of the Group for the year ended 30 June 2016.

5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - secured

Present value of minimum lease payments

Balance at beginning of the period/ year
Repayments made during the period/ year
Current portion
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

5.1 The markup rates, facility limits and securities offered for these lease finance arrangements are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 June 2016.

6. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors</td>
<td>277,449</td>
<td>298,820</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>589,972</td>
<td>547,187</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>286,731</td>
<td>260,598</td>
</tr>
<tr>
<td>Shop deposits</td>
<td>55,305</td>
<td>54,395</td>
</tr>
<tr>
<td>Due to related parties - unsecured</td>
<td>19,910</td>
<td>14,814</td>
</tr>
<tr>
<td>Sales tax</td>
<td>112,957</td>
<td>97,516</td>
</tr>
<tr>
<td>Bed tax</td>
<td>-</td>
<td>60,359</td>
</tr>
<tr>
<td>Un-earned income</td>
<td>153,352</td>
<td>147,472</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>8,600</td>
<td>8,600</td>
</tr>
<tr>
<td>Dividend payable</td>
<td>83,282</td>
<td>83,138</td>
</tr>
<tr>
<td>Retention money</td>
<td>50,238</td>
<td>46,876</td>
</tr>
<tr>
<td>Others</td>
<td>1,718,389</td>
<td>1,619,775</td>
</tr>
</tbody>
</table>

6.1 It includes an amount of Rs. 0.015 (30 June 2016: Rs. 0.015) million of related parties.

6.2 It includes an amount of Rs. 17.458 million of related parties.

7 SHORT TERM BORROWINGS - secured

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 June 2016.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Contingencies are the same as disclosed in the audited consolidated annual financial statements of the Group for the year ended 30 June 2016, except for the guarantees and commitments as disclosed below:

<table>
<thead>
<tr>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantees</td>
<td>190,244</td>
</tr>
<tr>
<td>Commitments</td>
<td>504,833</td>
</tr>
<tr>
<td>Commitments for capital expenditure</td>
<td></td>
</tr>
</tbody>
</table>

8.1.1 Guarantees

8.2 Commitments
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

9. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Owned assets</th>
<th>Leased assets</th>
<th>Capital work in progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unaudited 30 September 2016 - (Rupees in ‘000)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying value at beginning of the period</td>
<td>29,468,537</td>
<td>1,359,563</td>
<td>1,191,283</td>
</tr>
<tr>
<td>Additions during the period</td>
<td>97,699</td>
<td>-</td>
<td>141,223</td>
</tr>
<tr>
<td>Transfer from capital work in progress</td>
<td>53,544</td>
<td>-</td>
<td>(53,544)</td>
</tr>
<tr>
<td>Disposal during the period</td>
<td>(3,620)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation charge for the period</td>
<td>(154,719)</td>
<td>-</td>
<td>(1,136)</td>
</tr>
<tr>
<td>Transfer from leased assets</td>
<td>5,478</td>
<td>(5,478)</td>
<td>-</td>
</tr>
<tr>
<td>Carrying value at end of the period</td>
<td>29,466,919</td>
<td>1,354,085</td>
<td>1,277,826</td>
</tr>
</tbody>
</table>

**Audited 30 June 2016 - Rupees ‘000**

<table>
<thead>
<tr>
<th>Owned assets</th>
<th>Leased assets</th>
<th>Capital work in progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying value at beginning of the year</td>
<td>26,600,763</td>
<td>1,387,020</td>
<td>1,034,293</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>2,916,454</td>
<td>-</td>
<td>649,191</td>
</tr>
<tr>
<td>Transfer from capital work in progress</td>
<td>492,201</td>
<td>-</td>
<td>(492,201)</td>
</tr>
<tr>
<td>Disposal during the year</td>
<td>(39,731)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from leased assets</td>
<td>18,182</td>
<td>(18,182)</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>(519,332)</td>
<td>(9,275)</td>
<td>-</td>
</tr>
<tr>
<td>Carrying value at end of the year</td>
<td>29,468,537</td>
<td>1,359,563</td>
<td>1,191,283</td>
</tr>
</tbody>
</table>

10. ADVANCE FOR CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees‘000)</td>
<td></td>
</tr>
<tr>
<td>Purchase of land</td>
<td>671,820</td>
<td>666,820</td>
</tr>
<tr>
<td>Purchase of apartment</td>
<td>40,509</td>
<td>40,509</td>
</tr>
<tr>
<td>Malir Delta Land</td>
<td>381,656</td>
<td>381,656</td>
</tr>
<tr>
<td>Advance for purchase of fixed assets</td>
<td>79,636</td>
<td>84,627</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,173,621</td>
<td>1,173,612</td>
</tr>
</tbody>
</table>

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

11 ADVANCES

It includes advance to related parties for rendering of services and purchase of goods to M/s Hashoo Foundation Rs. 16.097 million (30 June 2016: Rs. 12.275 million), M/s Genesis Trading (Private) Limited Rs. 4.958 million (30 June 2016: Rs. 8.441 million), and M/s Cera-e-Noor Rs. 1.791 million (30 June 2016: Rs. Nil).

12. OTHER FINANCIAL ASSETS

Investment in:
- Shares of listed companies
- Certificate of Musharika / Term Deposit Receipt

13 SALES AND SERVICES - net

<table>
<thead>
<tr>
<th></th>
<th>Unaudited 30 September 2016</th>
<th>Audited 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rooms</td>
<td>1,361,169</td>
<td>1,154,285</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>1,370,961</td>
<td>1,167,749</td>
</tr>
<tr>
<td>Other related services</td>
<td>137,599</td>
<td>125,185</td>
</tr>
<tr>
<td>Vehicles rental</td>
<td>41,372</td>
<td>25,970</td>
</tr>
<tr>
<td>Shop license fees</td>
<td>9,782</td>
<td>8,059</td>
</tr>
<tr>
<td>Total</td>
<td>2,920,883</td>
<td>2,481,248</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unaudited Three months ended 30 September 2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounts and commissions</td>
<td>(49,677)</td>
<td>(34,430)</td>
</tr>
<tr>
<td>Sales tax</td>
<td>(398,579)</td>
<td>(342,751)</td>
</tr>
<tr>
<td>Total</td>
<td>2,472,627</td>
<td>2,104,067</td>
</tr>
</tbody>
</table>
### Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

#### 14 COST OF SALES AND SERVICES

<table>
<thead>
<tr>
<th></th>
<th>Unaudited</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three months ended</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30 September 2016</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>(Rupees’000)</td>
<td></td>
</tr>
<tr>
<td><strong>Food and beverages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>98,179</td>
<td>90,715</td>
</tr>
<tr>
<td>Purchases during the period</td>
<td>410,433</td>
<td>383,270</td>
</tr>
<tr>
<td>Closing balance</td>
<td>(99,908)</td>
<td>(97,720)</td>
</tr>
<tr>
<td>Consumption during the period</td>
<td>408,704</td>
<td>376,265</td>
</tr>
<tr>
<td><strong>Direct expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and benefits</td>
<td>367,047</td>
<td>337,145</td>
</tr>
<tr>
<td>Heat, light and power</td>
<td>219,541</td>
<td>233,063</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>70,370</td>
<td>65,801</td>
</tr>
<tr>
<td>Depreciation</td>
<td>140,047</td>
<td>108,073</td>
</tr>
<tr>
<td>Guest supplies</td>
<td>56,373</td>
<td>52,037</td>
</tr>
<tr>
<td>Linen, china and glassware</td>
<td>24,271</td>
<td>27,008</td>
</tr>
<tr>
<td>Communication and other related services</td>
<td>18,136</td>
<td>19,472</td>
</tr>
<tr>
<td>Banquet and decoration</td>
<td>20,010</td>
<td>16,017</td>
</tr>
<tr>
<td>Transportation</td>
<td>6,227</td>
<td>4,395</td>
</tr>
<tr>
<td>Uniforms</td>
<td>6,132</td>
<td>5,989</td>
</tr>
<tr>
<td>Music and entertainment</td>
<td>2,737</td>
<td>2,779</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,534</td>
<td>1,152</td>
</tr>
<tr>
<td>Vehicle operating expense</td>
<td>7,595</td>
<td>8,513</td>
</tr>
<tr>
<td>Vehicle rental and registration charges</td>
<td>6,593</td>
<td>5,173</td>
</tr>
<tr>
<td>Others</td>
<td>10,247</td>
<td>6,501</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,365,564</td>
<td>1,269,383</td>
</tr>
</tbody>
</table>
Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the three months period ended 30 September 2016

### 15. CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES

<table>
<thead>
<tr>
<th></th>
<th>Unaudited Three months ended 30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>448,269</td>
</tr>
<tr>
<td><strong>Adjustments for:</strong></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>155,855</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(928)</td>
</tr>
<tr>
<td>Provision for staff retirement benefit - gratuity</td>
<td>12,498</td>
</tr>
<tr>
<td>Provision for compensated leave absences</td>
<td>10,402</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>1,924</td>
</tr>
<tr>
<td>Return on bank deposits/ Treasury bills/ Certificate of Musharika</td>
<td>(6,262)</td>
</tr>
<tr>
<td>Interest income on short term advance to related party</td>
<td>-</td>
</tr>
<tr>
<td>Share of profit in equity accounted investments</td>
<td>(18,183)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>69,931</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(350)</td>
</tr>
<tr>
<td>Unrealised (gain) / loss on remeasurement of investments to fair value - net</td>
<td>(1,302)</td>
</tr>
<tr>
<td>Reversal of impairment on investment in associated companies</td>
<td>(3,853)</td>
</tr>
<tr>
<td></td>
<td>668,001</td>
</tr>
</tbody>
</table>

### 16. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td>278,167</td>
<td>521,638</td>
</tr>
</tbody>
</table>
**Transactions with Related Parties**

The related parties comprise associated companies, directors as well as their close family members, companies with common directorship, executives, key management personnel, major shareholders and Provident Fund. The balances as of this reporting date with related parties are disclosed in note 6 and 11 to the condensed interim consolidated financial information. Other balances and transactions with related parties are as follows:

<table>
<thead>
<tr>
<th>Transactions and balances with associated undertakings</th>
<th>2016 (Rupees'000)</th>
<th>2015</th>
<th>30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>75</td>
<td>196</td>
<td></td>
</tr>
<tr>
<td>Services provided</td>
<td>4,219</td>
<td>3,466</td>
<td></td>
</tr>
<tr>
<td>Services availed</td>
<td>14,320</td>
<td>6,988</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>22,572</td>
<td>10,285</td>
<td></td>
</tr>
<tr>
<td>Purchase of air tickets</td>
<td>-</td>
<td>7,503</td>
<td></td>
</tr>
<tr>
<td>Franchise fee - income</td>
<td>1,158</td>
<td>814</td>
<td></td>
</tr>
<tr>
<td>Franchise and management fee - expense</td>
<td>2,641</td>
<td>2,360</td>
<td></td>
</tr>
<tr>
<td>Interest income on advance</td>
<td>-</td>
<td>12,779</td>
<td></td>
</tr>
</tbody>
</table>

Balances as at the period end:
- Trade debts                                           | 18,739             | *6,454|
- Long term investments                                 | 1,201,081          | *1,190,250|
- Advance for capital expenditure                       | -                  | *3,500|
- Prepayments                                           | 8,927              | -|

<table>
<thead>
<tr>
<th>Transactions and balances with other related parties</th>
<th>2016 (Rupees'000)</th>
<th>2015</th>
<th>30 September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services provided</td>
<td>32</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Services availed</td>
<td>11,427</td>
<td>12,860</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>965</td>
<td>9,056</td>
<td></td>
</tr>
<tr>
<td>Contribution to defined contribution plan - provident fund</td>
<td>9,096</td>
<td>8,087</td>
<td></td>
</tr>
</tbody>
</table>

Balances as at the period end:
- Trade debts                                           | 807                | *11,242|
- Advance for capital expenditure                       | 626,820            | *626,820|
- Prepayments                                           | -                  | *5,208|

**Transactions with key management personnel**

Remuneration and allowances including staff retirement benefits | 15,698 | 14,379

Personal guarantees to Banks against the group’s borrowings (Note 4 & 5)

* Represents balance as at 30 June 2016.
FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

<table>
<thead>
<tr>
<th>On-balance sheet financial instruments</th>
<th>Carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value through profit and loss</td>
<td>Loans and receivables</td>
</tr>
<tr>
<td>(Rupees’000)</td>
<td>(Rupees’000)</td>
<td></td>
</tr>
<tr>
<td>Financial assets measured at fair value</td>
<td>10,115</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>278,167</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>-</td>
<td>51,794</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>18,823</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>-</td>
<td>650</td>
</tr>
<tr>
<td>Trade deposits</td>
<td>-</td>
<td>21,904</td>
</tr>
<tr>
<td>Trade debts - considered good</td>
<td>-</td>
<td>695,841</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>-</td>
<td>20,344</td>
</tr>
<tr>
<td>Advance to employees</td>
<td>-</td>
<td>32,443</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,119,966</td>
</tr>
<tr>
<td>Financial assets not measured at fair value</td>
<td>18.2</td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the three months period ended 30 September 2016

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

18.3 It excludes advances from customers, federal excise duty, bed tax and sales tax payable, banquet/beverage tax, unearned income and income tax deducted at source.
19  NON- ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Parent Company, in its meeting held on 31 October 2016, has declared an interim cash dividend of Rs. 5/- per share.

20  DATE OF APPROVAL

This unaudited condensed interim consolidated financial information was authorised for issue by the Board of Directors of the Parent Company in its meeting held on 31 October 2016.

21  GENERAL

The figures of the corresponding period have been re-arranged for better presentation.

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, have been signed by two Directors.

M.A. Bawany  
Director

Shakir Abu Bakar  
Director
For the three months period ended 30 September 2016

Pearl-Continental Hotel - Lahore