



Regent Plaza

HOTEL & CONVENTION CENTRE

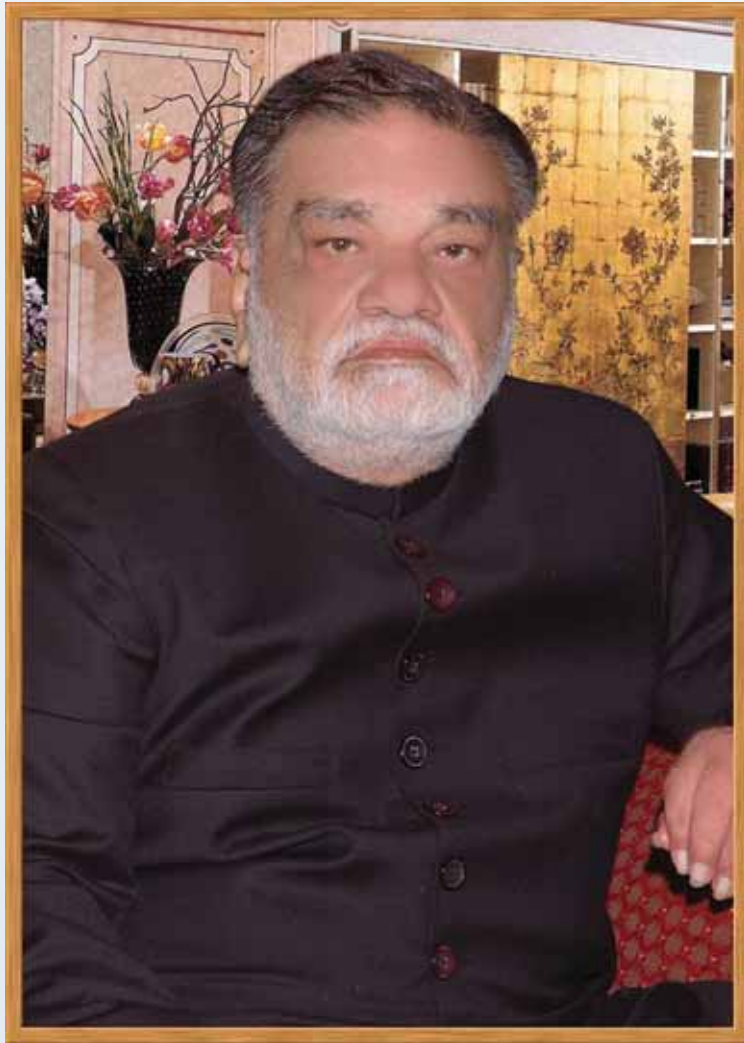


**PHDL**

PAKISTAN HOTELS DEVELOPERS LIMITED

39<sup>th</sup> annual report

2018



*Mr. S. Ferozuddin Baweja - Founder*



## **Vision and Mission**

It is our cherished goal to be the Industry leader in hotel business by establishing a complete, unique, distinctive and truly a five star deluxe hotel complex.

To achieve the above objective and to provide the highest level of satisfaction to our valued customers, we are constantly engaged and working with a missionary zeal to bring necessary improvements in our existing facilities and to excel in offering efficient and quality services to them.

We are also committed to maintain the highest level of International hotel standards, which will add to the glory and prestige of the Country and promote tourism.



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# Corporate Profile

## Board of Directors:

### Non-Executive Directors

Mr. Mansoor F. Baweja	Chairman
Mr. S. Mahmood Baweja	Director
Mr. Mohsin Baweja	Director
Mr. Masroor F. Baweja	Director
Mr. Zaheer Baweja	Director
Mrs. Shireen Ahad	Director

### Executive Directors

Mr. Muzaffar F. Baweja	Chief Executive Officer
Mr. Zubair Baweja	Managing Director

### Independent Director

Mr. M. A. Majeed

### Audit Committee:

Mr. M. A. Majeed	Chairman
Mr. S. Mahmood Baweja	Member
Mr. Mohsin Baweja	Member

### HR & R Committee

Mr. Masroor F. Baweja	Chairman
Mr. Zaheer Baweja	Member

### Company Secretary:

Fahad Iqbal Khan

### Chief Financial Officer:

Syed Haseen Anwer

### Bankers :

Al Baraka Bank (Pakistan) Ltd.  
Bank AL-Habib Ltd.  
Faysal Bank Ltd.  
Habib Bank Ltd.  
MCB Bank Ltd.  
Meezan Bank Ltd.  
National Bank of Pakistan  
Silk Bank Ltd.  
Summit Bank Ltd.  
United Bank Ltd.

### Auditors:

Tanwir Arif & Co.  
Chartered Accountants

### Legal Advisor:

Sofia Saeed Shah

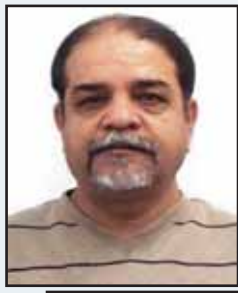
### Independent Share Registrar

F. D. Registrar Services (SMC-Pvt.) Limited  
17th Floor, Saima Trade Tower-A,  
I. I. Chundrigar Road, Karachi.

### Registered Office:

Regent Plaza Hotel, Mezzanine Floor  
195/2, Shahrah-e-Faisal, Karachi.

## Directors' Profile



**Mansoor F. Baweja**  
Chairman

Mr. Mansoor Baweja is the Chairman of the Board of Directors, appointed in April 2013. With 35 years of experience in the real estate, construction and hospitality industries, he brings extensive knowledge and perspective to the organization. Having been a founding member of Taj Mahal Hotels Limited and Taj Medical Complex Limited, he brings extraordinary leadership qualities to the Board.

Mr. Mansoor Baweja oversees the strategic management and corporate governance of PHDL. He adds tremendous value through his involvement in various local and national business organizations.



**Muzaffar F. Baweja**  
Chief Executive Officer

Mr. Muzaffar Baweja joined on 1st January, 1985 to the Board of Directors of Pakistan Hotels Developers Ltd., Owners and Operators of Five Star Hotel, Holiday Inn Crown Plaza, Karachi (Now Regent Plaza Hotel & Convention Centre). He has served as a General Manager / Director Operations during the year October, 1994 - December, 1998 in the hotel.

The name of Holiday Inn Crown Plaza was changed in 1999 to Regent Plaza Hotel and Convention Centre and Mr. Muzaffar Baweja was designated as Managing Director of the Hotel.

He also served as General Manager with Taj Mahal Hotel, Karachi during the year July, 1993 - September, 1994. Under his leadership, professionalism and by the dint of his abilities of market penetration, Taj Mahal Hotel recorded highest revenue in 1993 - 1994.

He has extensive working experience in Hotel Marketing, Administration, Operations and Strategic Planning and is well known personality in the Hotel Industry. He was elected as the

Chairman of Pakistan Hotels Association for the year 2006 - 2007. In his capacity as Chairman of the Association, he made proposal to the Government of Pakistan to frame a policy for the development of tourism sector in Pakistan which aimed to create employment opportunities, boost the hospitality business and to attract foreign investment for its expansion in Pakistan. His creativity and dynamism has held the hotel in good stead during the economic crisis affecting the hospitality industry. The hotel has been accorded corporate excellence award by MAP.

Mr. Muzaffar Baweja is a Commerce Graduate from the University of Karachi and has attended various technical and certificate courses including new Hotel Opening Program - Karachi, General Manager Program - France, Computer Science from Daytona Beach, Community College - Florida, Pakistan Institute of Tourism & Hotel Management - Karachi.

From January 2013, Mr. Muzaffar Baweja working as CEO of the Company, and in his leadership Company earned a record revenue in 35 years history of the Company.



**Zubair Baweja**  
Managing Director

Mr. Zubair Baweja was appointed to the Board of Directors in the year 2000.

He is a 'Certified Director'.

Mr. Zubair Baweja an entrepreneur in hospitality industry has extensive experience in management and operations. After completing his MBA, he has worked in various roles in management.

Earlier in his career, he served as Director Operations at M/s. Taj Medical Complex, supervising operational performance of the business for 5 years. Moving to the hospitality business, he joined as Director, Foods & Beverages (F&B) at Holiday Inn Crown Plaza Karachi, where in a short span of around 2 years, he proved his salt and moved to take on further responsibility as an Executive Director for another 13 years.

Having understood the operations and management of the organization from ground up, he was promoted to lead Regent Plaza Hotel in the capacity of Managing Director, where he provides leadership & direction for the organization.

Mr. Baweja also serves as Member of Executive Committee FPCCI, Chairman, Standing Committee of Hotels FPCCI, Senior Vice Chairman of Pakistan Hotels Association.





**S. Mahmood Baweja**  
Director

Mr. S. Mahmood Baweja 55 Years old having vast experience in hotel industry and is one of the founding directors of PHDL (formerly Taj Mahal Hotels Limited). He served several terms on the Board of Directors of PHDL as Director, Executive Director and Chief Executive Officer. Mr. Baweja has been instrumental in various developmental projects in PHDL.

Mr. S. Mahmood Baweja has various other business interests including automotive industry.



**Masroor F. Baweja**  
Director

Mr. Masroor Baweja, rejoining the Board in 2015, has been involved in the Group Businesses for last 36 years. A graduate from Wichita State University in Health Care Administration and successful entrepreneur of a diverse range of businesses, Mr. Baweja brings vast experience in management and entrepreneurial skills to the Board.

He has served several terms on the Board of Directors of PHDL as Director, and Chairman and as Director, Managing Director and Chief Executive Officer in other hospitality, tourism and service related businesses.

Mr. Masroor Baweja strongly believes in giving-back to the community and has been involved in various philanthropic activities. He currently serves on the Executive Board of Karachi Vocational and Training Center, a vocational training center for differently abled populations, having been involved with this organization for last 25 years.

Being a cordial person at heart Mr. Masroor Baweja also thoroughly enjoys gardening, going on road trips and spending time with family and friends.

Mr Masroor has various other business interests including Restaurants and other food related businesses and Garments Exports etc.



**M. A. Majeed**  
Non-Executive Director

Mr. M.A. Majeed was appointed to the Board of Directors in 2013 as Non-Executive Director. He is also Chairman of Board of Audit Committee. He is a 'Certified Director'.

Mr. M.A. Majeed has about 30 years professional experience in Hotel Business, Human Resource and Administration fields.



## Notice of 39<sup>th</sup> Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of **PAKISTAN HOTELS DEVELOPERS LIMITED** will be held on 26th of October, 2018 at 03:30 PM. at Registered Office of the Company 195/2, Regent Plaza Hotel, Main Shahrah-e-Faisal, Karachi to transact the following business:

1. To confirm the minutes of 38th Annual General Meeting held on 30th October, 2017.
2. To receive, consider and adopt the Audited Accounts for the year ended 30th June, 2018, together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year 2019 and to fix their remuneration.
4. Any other business with the permission of the Chair.

By order of the Board

**(FAHAD IQBAL KHAN)**  
Company Secretary

Karachi: October 05<sup>th</sup>, 2018

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on the member's behalf. Proxies must be deposited with the Secretary of the Company or Independent Share Registrar Office not less than 48 hours before the meeting.
2. The share transfer books of the company shall remain closed from 19th October, 2018 to 26th October, 2018 (Both days inclusive). Transfers, complete in all respects, received at our Independent Share Registrar Office M/s. F.D. Registrar Service (SMC-PVT. Ltd.), 17th Floor, Saima Trade Tower A, Karachi by 18th October, 2018 will be entitled to attend the meeting and will be treated in time.
3. Shareholders are requested to notify the Company of any change in their addresses.
4. Shareholders are also requested to notify the Company their CNIC No.(Passport No. if Foreigner) as required by S.R.O.49(1)/2003 dated 15.01.2003 and Circular No.13/2004 dated 05.03.2004.

C.D.C. Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated 26th January, 2000 issued by the Securities and Exchange Commission of Pakistan.

#### a) For attending A.G.M.

- i) In case of Individuals, the account holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his or her identity by showing his / her original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting.
- ii) In case of Corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

#### b) For appointing Proxies

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and of the proxy shall be furnished with proxy form.
- iv) The Proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with form to the company.



## Directors' Report

The Directors of **PAKISTAN HOTELS DEVELOPERS LIMITED** are pleased to present the Annual Report together with Audited Accounts of the Company for the year ended June 30, 2018.

<b>Accounts:</b>	<b>(Rs. '000')</b>	<b>(Rs. '000')</b>
Total Revenue-net		417,174
Less: Direct Cost	370,163	
Other Managerial and Financial Expenses	9,749	379,912
		<u>37,262</u>
Less: Statutory Depreciation		49,224
Net operating loss before taxation		<u>11,962</u>
Less: Taxation		5,005
Loss after taxation		<u>16,967</u>
Loss per share (Rupees)		<u>0.94</u>

Alhamdo-Lillah hotel restarted on 14th August, 2017 with limited number of guestrooms (50 of the total capacity) after the 9 months suspension of business activities due to the fire incident in hotel building last year. Earned net revenue Rs.417 million and control the overhead expenses. Insha-Allah next year we will earn more revenue and back on profit track.

Due to loss, the board of directors has not recommended any dividend to their shareholders.

The Foreign Exchange earning during the year was 0.0640 million U.S. Dollars.

### **Borrowings:**

Company has obtained a running finance facility limit of Rs. 100 million from bank in last year and reduced the limit to Rs.81 million at the end of current financial year. We hope, Insha-Allah that the full amount will be payoff in the next financial year.

### **Appointment of Auditors:**

The retiring Auditors M/s. Tanwir Arif & Co., Chartered Accountants, being eligible, offer themselves for reappointment for the year 2018-19. The Audit Committee and Board of Directors of the Company have endorsed their appointment for shareholders' consideration in forthcoming Annual General Meeting.

The external auditors have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan.

### **Board Meeting Fees**

During the year Rs.60 thousand was given to a director in respect of Board Meeting Fees.

## Audit Committee

The Committee comprised of three members of whom two are from non-executive directors and one independent director (as reconstituted on 23rd February, 2016 in Board Meeting).

- Mr. M.A. Majeed – Independent Director
- Mr. S. Mahmood Baweja – Non Executive Director
- Mr. Mohsin Baweja – Non Executive Director

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board and their publication.

The Committee is responsible for oversight of internal audit function as well as external financial reporting. It also carries out ongoing reviews of internal control.

### Attendance of Members at Audit Committee Meetings

During the financial year 2018, four meetings of the Audit Committee were held and the number of Meetings attended by each member is given hereunder.

Name	Number of Meetings	
	Held During Membership During the year	Attended
1. Mr. M.A. Majeed	04	04
2. Mr. Mohsin Baweja	04	04
4. Mr. S.Mahmood Baweja	04	04

### Code of Corporate Governance:

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of Pakistan Stock Exchange under instructions from the Securities & Exchange Commission of Pakistan. Your Company has taken all necessary steps to ensure Good Corporate Governance and full compliance of the Code.

The Directors are pleased to confirm that :

- a) The financial statements prepared by the management of the company present a true and fair state of affairs of the Company, the results of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent business judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have adequately been disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- i) Pattern of shareholding as at June, 30, 2018 is annexed to this report.
- j) During the year, one director and his spouse reported to the company for trading of shares and the same were informed to the Pakistan Stock Exchange and Commission on time.

### Board Meetings:

During the year ended 30th June, 2018, Seven (07) meetings of the Board of Directors were held. The attendance in the meeting is as follow:

Name of Director	Number of Meetings	
	Held During Directorship During the year	Attended
Mr. Mansoor F.Baweja	07	06
Mr. Muzaffar F.Baweja	07	07
Mr. Zubair Baweja	07	07
Mr. S.Mahmood Baweja	07	07
Mr. Mohsin Baweja	07	05
Mr. Masroor F.Baweja	07	06
Mr. Zaheer Baweja	07	05
Mrs. Shireen Ahad	07	04
Mr. M.A. Majeed	07	04

### Change in Board of Directors

There has been no change in Board of Directors w.e.f. 1st July, 2017 to 30th June, 2018.

### Staff Benefits

Employees Gratuity Scheme is maintained as per law and appropriate provision has been made in accordance with IAS 19 in the Account.

### Independent Share Registrar

M/S F.D. Registrar Services ( SMC-PVT) Limited has been appointed as Independent Share Registrar of the Company with effect from 1st January,2018 by the Board in place of M/S Technology Trade Private Limited. who have closed their business from 31st December, 2017.

### Financial Highlights:

A summary of key operating and financial results for the current year and last Five years is annexed.

For & on behalf of Board of Directors

  
**MUZAFFAR F. BAWEJA**  
Chief Executive Officer

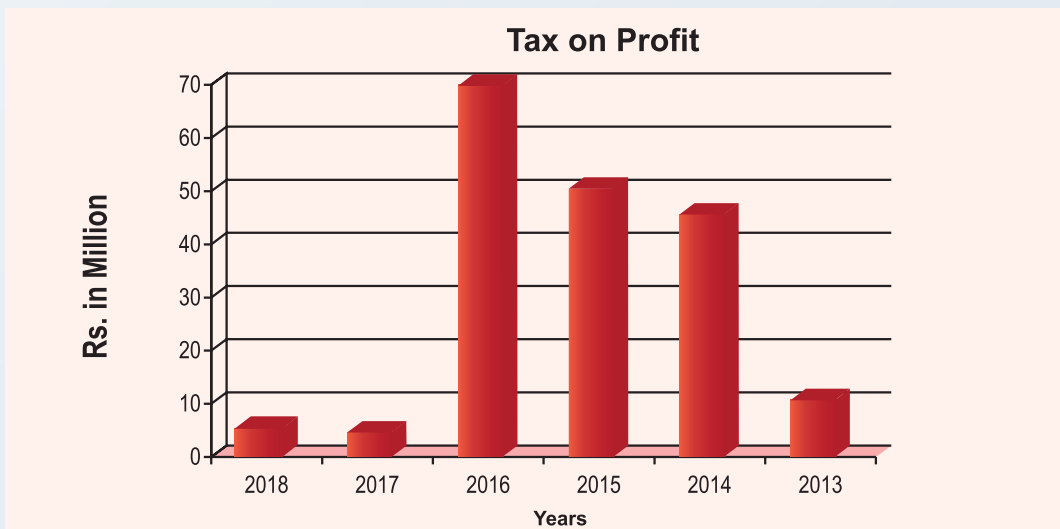
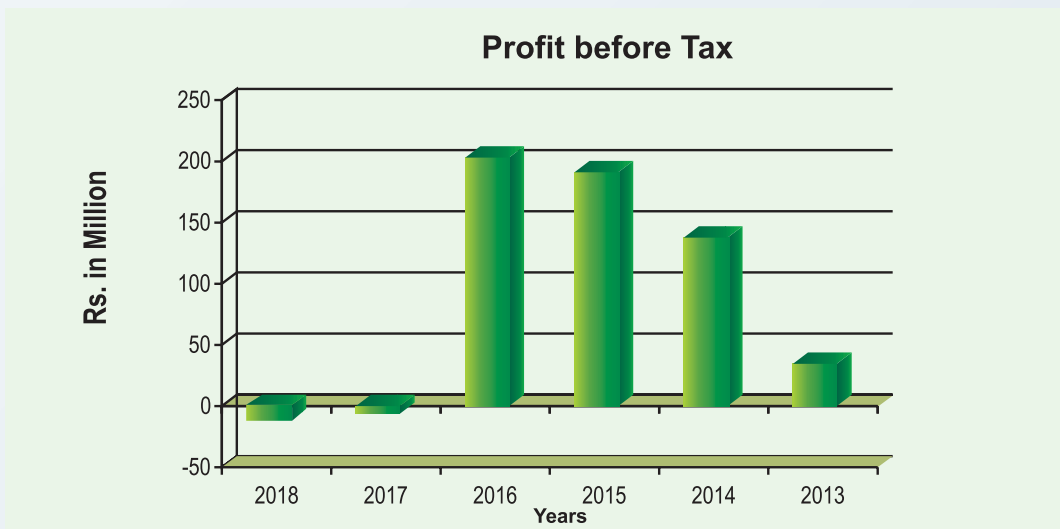
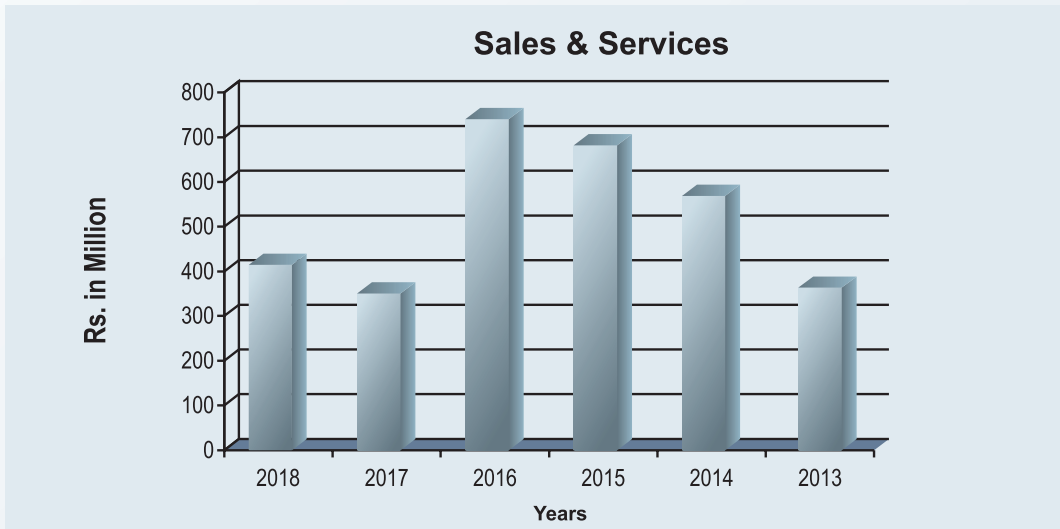
Karachi: October 02<sup>nd</sup>, 2018

## Financial Highlights

	2018	2017	2016	2015	2014	2013
	Rupees '000					
Sales and services - Net	<b>416,798</b>	349,968	740,512	681,889	568,620	363,639
(Loss) / Profit before tax	<b>(11,962)</b>	(6,322)	203,057	191,043	137,639	34,619
Finance cost	<b>9,749</b>	3,154	324	4,440	3,608	878
PBIT	<b>(2,213)</b>	(3,168)	203,381	195,483	141,247	35,497
(Loss) / Profit after tax	<b>(16,967)</b>	(10,917)	133,246	140,560	92,044	23,940
<b>Financial position</b>						
Current assets	<b>110,957</b>	132,079	155,462	201,406	211,712	214,717
Less: Current liabilities	<b>153,123</b>	152,867	86,135	76,738	95,117	82,948
Net working capital	<b>(42,166)</b>	(20,788)	69,327	124,668	116,595	131,769
Fixed assets - net	<b>4,900,613</b>	4,920,787	4,955,950	4,287,788	4,324,538	2,269,854
Investments						
Other non-current assets	<b>6,080</b>	6,080	5,310	5,310	3,683	3,087
<b>TOTAL</b>	<b>4,864,527</b>	4,906,079	5,030,587	4,417,766	4,444,816	2,404,710
Other non-current liabilities	<b>223,407</b>	245,873	269,588	229,560	252,509	188,262
Shareholders equity	<b>4,641,120</b>	4,660,206	4,760,999	4,188,206	4,192,307	2,216,448
<b>Statistics</b>						
Number of rooms	<b>400</b>	400	397	397	413	413
Room occupancy %	<b>21.59</b>	22.92	49.64	43.64	35.16	23.83
Number of employees	<b>138</b>	137	211	197	178	186
(Loss) / Earning per share (Rs.)	<b>(0.94)</b>	(0.61)	7.4	7.81	5.11	1.33
Break up value per share (Rs.)	<b>257.84</b>	258.9	264.5	232.68	232.91	123.14
Market value per share (Rs.)	<b>107.50</b>	78.76	98.68	92.00	76.83	38.00
Dividend per share (Rs.)	—	—	11.00	8.00	8.00	7.00
<b>Ratios</b>						
ROCE (%)	<b>(0.05)</b>	(0.07)	4.27	4.67	3.37	1.60
ROA (%)	<b>(0.35)</b>	(0.22)	2.65	3.18	2.07	1.00
Current ratio	<b>0.72</b>	0.86	1.8	2.62	2.23	2.59
Net (loss) / profit margin (%)	<b>(4.07)</b>	(3.12)	17.99	20.61	16.19	6.58



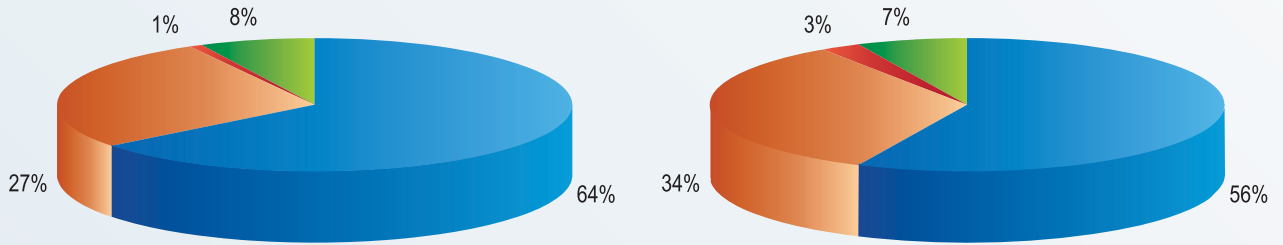
## Graphical Presentation



## Department Revenue Contribution

2018

2017

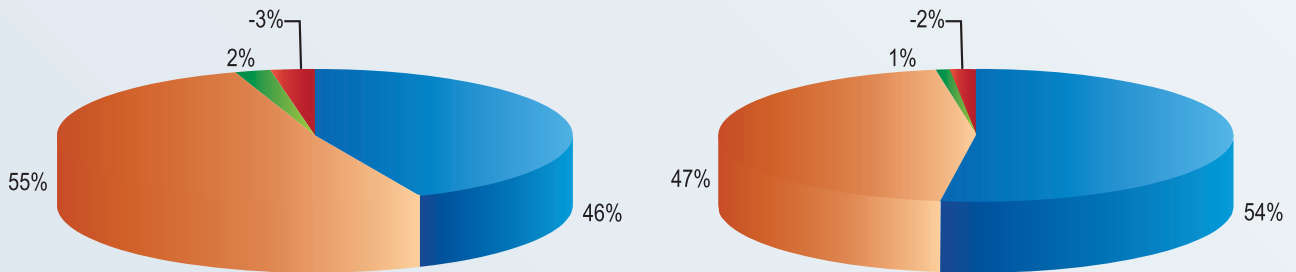


■ Room Revenue 
 ■ Food & Beverages 
 ■ Shop Licence Fees 
 ■ Other Minor Department

## Application of Revenue & Other Income / (Loss)

2018

2017



■ Cost of Sales 
 ■ Admin, Selling & Gen Expense 
 ■ Financial Charges 
 ■ Loss before Tax

# Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Rule 5.19 of the Rule Book of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. This statement is presented in the format mentioned under the Code 2012 as contained in Rule Book.

The Company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board constitutes the following Directors.

Category	Names
Independent Directors	Mr. M.A. Majeed
Executive Directors	Mr. Muzaffar F. Baweja Mr. Zubair Baweja
Non-Executive Directors	Mr. Mansoor F. Baweja Mr. S. Mahmood Baweja Mr. Mohsin Baweja Mr. Masroor F. Baweja Mr. Zaheer Baweja Mrs. Shireen Ahad

The independent director meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy was occurred during the financial year in the Board.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/Shareholders.
8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged an orientation course for its directors during the year to apprise them of their duties and responsibilities. Mr. Zaheer Baweja, Mr. Zubair Baweja and Mr. M.A. Majeed, Directors have obtained Certificate of Directors Training Program learning at ICMAP and IBA, Karachi.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members and all the members are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members of whom all are non-executive directors including chairman of the committee.
18. The Board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of Board of Directors.

  
**MUZAFFAR F. BAWEJA**  
Chief Executive

KARACHI: October 02<sup>nd</sup>, 2018

## Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance


We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **M/s. Pakistan Hotels Developers Limited** ('the Company') for the year ended June 30, 2018 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2018.

  
**TANWIR ARIF & CO.**  
Chartered Accountants  
Engagement Partner – Tanwir Arif

Hyderabad:

Dated: October 02<sup>nd</sup>, 2018

# Independent Auditor's Report to the Members

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of PAKISTAN HOTELS DEVELOPERS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss, comprehensive loss and the changes in equity and its cash flows for the year then ended.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter:

i) **New Requirements under the Companies Act, 2017:**

*(Refer note 2 and 3.4 to the financial statements)*

The provisions of the Companies Act, 2017 (Act) became applicable and the company has made disclosures including accounting policies for the first time as per fourth schedule of the Act. The additional disclosures required by the Act are incorporated by the management in preparing the annexed financial statements for the year first time. We, therefore, considered it as a key audit matter.

**How the matter is addressed in our audit**

The fourth schedule to the Companies Act, 2017 was reviewed with reference to the additional disclosure requirements. Our audit procedures included the following:

- Obtained underlying supports, verified on test basis and assessed appropriateness for sufficient audit evidence relevant to additional disclosures.

### **Information other than the financial statements and auditor's report thereon**

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial statements of the company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude, that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Tanwir Arif.

  
**TANWIR ARIF & CO.**  
 Chartered Accountants

Hyderabad:

Dated: October 02<sup>nd</sup>, 2018

## Statement of Financial Position as at June 30, 2018

		2018	2017	2016
	Notes	.....	Restated (Rupees '000)	Restated .....
<b>CAPITAL AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
<b>Share Capital</b>				
<b>Authorized</b>				
30,000,000 ordinary shares of Rs. 10 each		<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up	5	<u>180,000</u>	180,000	180,000
<b>Capital reserve</b>				
Surplus on revaluation of fixed assets	6	<b>4,391,280</b>	4,412,147	4,434,111
<b>Revenue reserve</b>				
Un-appropriated profit		<u>69,840</u>	68,059	146,888
		<u>4,641,120</u>	4,660,206	4,760,999
Liabilities against assets subject to finance leases	7	<b>6,907</b>	10,049	13,514
Deferred taxation	8	<b>212,320</b>	231,644	250,252
Security deposits	9	<b>4,180</b>	4,180	5,822
<b>Current liabilities</b>				
Current maturities	10	<b>4,612</b>	7,406	8,067
Accrued mark up	11	<b>740</b>	784	124
Short term borrowings	12	<b>81,440</b>	101,312	—
Unpaid dividend		<b>14,125</b>	14,125	—
Unclaimed dividend		<b>10,251</b>	10,251	—
Creditors, accrued and other liabilities	13	<b>41,955</b>	18,989	77,944
		<b>153,123</b>	152,867	86,135
Contingencies and commitments	14			
		<u>5,017,650</u>	<u>5,058,946</u>	<u>5,116,722</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
**MUZAFFAR F. BAWEJA**  
 Chief Executive Officer

Karachi: October 02<sup>nd</sup>, 2018



		2018	2017	2016
	Notes	.....	Restated (Rupees '000)	Restated .....
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets	15	<b>4,900,613</b>	4,920,787	4,955,950
Long term deposits	16	<b>6,080</b>	6,080	5,310
<b>Current assets</b>				
Stores and spares	17	<b>1,219</b>	1,484	2,519
Stock in trade - food and beverages	18	<b>52</b>	—	1,959
Trade debts-unsecured, considered good	19	<b>34,018</b>	11,142	91,611
Advances, prepayments and other receivables	20	<b>29,053</b>	44,740	15,744
Cash and bank balances	21	<b>46,615</b>	74,713	43,629
		<b>110,957</b>	132,079	155,462
		<b>5,017,650</b>	5,058,946	5,116,722

  
**ZUBAIR BAWEJA**  
 Managing Director

  
**SYED HASEEN ANWER**  
 Chief Financial Officer

## Statement of Profit or Loss for the year ended June 30, 2018

	Notes	2018 (Rupees '000)	2017
Turnover		475,790	396,637
Sales tax and other taxes		(58,992)	(46,669)
Sales and services - net	22	<u>416,798</u>	<u>349,968</u>
Cost of sales and services	23	<u>(191,410)</u>	<u>(188,590)</u>
Gross profit		<u>225,388</u>	<u>161,378</u>
Administrative, selling and general expenses	24	<u>(227,977)</u>	<u>(163,441)</u>
Other operating income / (loss)	25	<u>376</u>	<u>(1,105)</u>
Operating loss		<u>(2,213)</u>	<u>(3,168)</u>
Financial charges	26	<u>(9,749)</u>	<u>(3,154)</u>
Net loss before taxation		<u>(11,962)</u>	<u>(6,322)</u>
Taxation	27	<u>(5,005)</u>	<u>(4,595)</u>
Net loss after taxation		<u><u>(16,967)</u></u>	<u><u>(10,917)</u></u>

(Rupees)

### (Loss) per share:

- Basic	35	<u><u>(0.94)</u></u>	<u><u>(0.61)</u></u>
- Diluted	35	<u><u>(0.94)</u></u>	<u><u>(0.61)</u></u>

Appropriation has been shown in the statement of changes in equity.  
The annexed notes 1 to 41 form an integral part of these financial statements.

  
**MUZAFFAR F. BAWEJA**  
Chief Executive Officer

  
**ZUBAIR BAWEJA**  
Managing Director

  
**SYED HASEEN ANWER**  
Chief Financial Officer

Karachi: October 02<sup>nd</sup>, 2018

## Statement of Comprehensive Income for the year ended June 30, 2018

	2018 (Rupees '000)	2017
Net loss after taxation	(16,967)	(10,917)
Other comprehensive (loss)/income:		
Items that will not be reclassified to statement of profit or loss in subsequent periods		
Remeasurements of defined benefit plan- net of deferred tax	(2,119)	124
Items that will not be reclassified to statement of profit or loss in subsequent periods	—	—
Total comprehensive loss	<u>(19,086)</u>	<u>(10,793)</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
**MUZAFFAR F. BAWEJA**  
Chief Executive Officer

  
**ZUBAIR BAWEJA**  
Managing Director

  
**SYED HASEEN ANWER**  
Chief Financial Officer

Karachi: October 02<sup>nd</sup>, 2018

# Statement of Cash Flows

for the year ended June 30, 2018

	Notes	2018 (Rupees '000)	2017
<b>Cash flow from operating activities</b>			
Cash generated from operations	28	53,792	70,144
Income taxes paid		(22,752)	(34,645)
Gratuity paid		(1,000)	—
Financial charges paid		(9,793)	(2,494)
Net cash from operating activities		<u>20,247</u>	<u>33,005</u>
<b>Cash flow from investing activities</b>			
Payment for acquisition of fixed assets		(7,909)	(2,971)
Payment for capital work-in-progress		(21,141)	(15,036)
Proceeds from disposal of fixed assets		—	51
Profit on bank deposits		166	188
Long term deposits		—	(770)
Net cash used in investing activities		<u>(28,884)</u>	<u>(18,538)</u>
<b>Cash flow from financing activities</b>			
Repayment of finance lease		(3,183)	(3,159)
Dividend paid		—	(83,364)
Repayment of loan from director		(2,500)	2,500
Net cash used in financing activities		<u>(5,683)</u>	<u>(84,023)</u>
Net decrease in cash and cash equivalents		<u>(14,320)</u>	<u>(69,556)</u>
Cash and cash equivalents - start of the year		<u>(25,927)</u>	<u>43,629</u>
Cash and cash equivalents - end of the year	29	<u><u>(40,247)</u></u>	<u><u>(25,927)</u></u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
**MUZAFFAR F. BAWEJA**  
 Chief Executive Officer

  
**ZUBAIR BAWEJA**  
 Managing Director

  
**SYED HASEEN ANWER**  
 Chief Financial Officer

Karachi: October 02<sup>nd</sup>, 2018

## Statement of Changes in Equity

for the year ended June 30, 2018

	Share Capital	Capital reserve	Revenue reserve	
		Revaluation surplus on property, plant and equipment	Unappro- priated profit	Total
.....(Rupees '000).....				
<b>Balance as at June 30, 2016 - as previously reported</b>	180,000	—	146,888	326,888
Impact of restatement - note 3.26	—	4,434,111	—	4,434,111
<b>Balance as at June 30, 2016 - as restated</b>	180,000	4,434,111	146,888	4,760,999
Transferred from surplus on revaluation of fixed assets (net of tax)	—	(21,964)	21,964	—
Total comprehensive loss for the year ended June 30, 2017	—	—	(10,793)	(10,793)
<b>Appropriation:</b>				
Final cash dividend paid @ 50% i.e. Rs.5/= per share for the year ended June 30, 2016	—	—	(90,000)	(90,000)
<b>Balance as at June 30, 2017</b>	180,000	4,412,147	68,059	4,660,206
Transferred from surplus on revaluation of fixed assets (net of tax)	—	(20,867)	20,867	—
Total comprehensive loss for the year ended June 30, 2018	—	—	(19,086)	(19,086)
<b>Balance as at June 30, 2018</b>	<b>180,000</b>	<b>4,391,280</b>	<b>69,840</b>	<b>4,641,120</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
**MUZAFFAR F. BAWEJA**  
Chief Executive Officer

  
**ZUBAIR BAWEJA**  
Managing Director

  
**SYED HASEEN ANWER**  
Chief Financial Officer

Karachi: October 02<sup>nd</sup>, 2018

# Notes to the Financial Statement

## for the year ended June 30, 2018

### 1. The company and its operations

Pakistan Hotels Developers Limited ('Company') was incorporated and domiciled in 1979 at Karachi, Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a private limited company and converted into public limited company in 1981. The company is listed with Pakistan Stock Exchange Limited. The registered office of the company is situated at 195/2, Shahrah-e-Faisal, Karachi. The company is principally engaged in hotel business and owns and operates a Five Star Hotel known as Regent Plaza Hotel and Convention Centre, Karachi.

### 2. Significant transactions and events affecting the company's financial position and performance

- a) Due to fire incident occurred in December, 2016, twelve (12) precious lives were lost including one staff member and several persons were injured. Consequently, the operation of the company was closed. A soft opening of banquet only started from February, 2017 and partial operation started from August 14, 2017. By the end of current financial year 211 rooms were made operational after fixation of firefighting system (Note 38). Further, during the year the company has paid compensation of Rs. 58.44 million (2017: 18.31million) to the families of the affectees. This has resulted into decrease in revenue, increase in expenses towards compensation to the families of affectees (Note 24.4) thereby the company has incurred loss during the year of Rs. 17 million (2017: 10.9 million).

The company expects to complete the fixation of firefighting system in all the 400 rooms by the end of June, 2019 thus all the revenue generation activities will work in full swing. Further concerning payment of compensation to the families of the affectees, the case is pending before the honorable IIRD Additional Session Judge South wherein all the twelve (12) affectees has been compounded and compromised with the applicant and the same is fixed for next hearing. The company anticipates that financial obligation to the affectees injured would not be considerable amount.

- b) Other significant transactions and events have been adequately described in these financial statements. For detail performance review of the Company, refer Directors' Report.

### 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except stock in trade that are carried at lower of cost or net realizable value, land and buildings which are stated at revalued amounts and certain staff retirement benefits that are carried at present value.

The preparation of financial statements in conformity with the applicable accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

### **3.3 Standards, amendments or interpretations which became effective during the year**

During the year certain amendments to Standards and new interpretations became effective. However, the adoption of such amendments, revisions, improvements to accounting standards and interpretation did not have any material effect on the financial statements of the Company.

### **3.4 New and amended standards and interpretations to published approved accounting standards that are effective in the current year**

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's disclosure initiative, which continues to explore how financial statement disclosure can be improved.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of revaluation surplus of property, plant and equipment as more fully explained in note 6, change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements;
- incorporation of significant additional disclosures.

### **3.5 New/revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective**

<b>Standard or Interpretation</b>	<b>Effective date (accounting period beginning on or after)</b>
IFRS 9- Financial Instruments	01 July 2018
IFRS 15- Revenue from contracts	01 July 2018
IFRS 16 – Lease	01 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	01 January 2019

The standards highlighted above may impact the financial statements of the Company on adoption. The Management is currently in the process of assessing the impact on the financial statements of the Company.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

### **3.6 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. It also includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the financial statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### **3.7 Staff retirement benefits**

The company operates a defined benefit plan comprising a funded gratuity scheme covering all permanent employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. An approved gratuity fund trust is established for the management of the gratuity obligation of the company. Annual contributions are made to the fund based on actuarial recommendations. The actuarial valuations are carried out using Projected Unit Credit Method. Remeasurement charge which comprises of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

### **3.8 Fixed assets**

#### **Property, plant and equipment**

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment which qualifies for recognition as an asset is initially measured at its cost. Subsequent to initial recognition leasehold land and building on leasehold land are carried at fair value, based on valuations by external independent valuer less subsequent depreciation for building. Crockery, cutlery, staff uniforms and linen are stated at their historical cost. All other operating fixed assets are stated at their historical cost less accumulated depreciation and impairment losses (if any).

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to



the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

Subsequent expenditure on property, plant and equipment is added to the carrying amount of the asset when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

Capital work in progress is stated at cost, less any recognized impairment loss. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work-in-progress, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in Note 15. Crockery, cutlery, linen and uniforms are charged to the profit and loss account on replacement basis. The depreciation for assets acquired or disposed of during the year is charged from the date of acquisition or up-to the date of disposal of such assets respectively.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

### **Intangibles**

Item of intangibles is recognized as asset in accordance with IAS 38 Intangibles when it meets the definition of an intangible asset and is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of intangibles which qualifies for recognition as an asset is initially measured at its cost. Subsequent to initial recognition, intangible is stated at its historical cost less accumulated amortization and impairment losses (if any).

The gain or loss arising on the disposal or retirement of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income.

### **3.9 Obligation under finance lease**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the company. At the commencement of the lease term, finance leases are recognized as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. Any initial direct costs of the leases are added to the amount recognized as an asset. Minimum lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The interest element is charged to the income statement over the lease period.

### **3.10 Foreign currency transactions and translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statements.

### **3.11 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

### **3.12 Financial instruments**

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement". Financial assets and financial liabilities are recognized on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset have expired or transferred or the company has transferred substantially all risks and rewards of ownership. A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to income currently.

### **3.13 Financial assets**

The company classifies its financial assets in the following categories: (a) at fair value through profit or loss, (b) loans and receivables, and (c) available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Regular purchases and sales of financial assets are recognized on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets, except those carried at fair value through profit or loss, are initially recognized at fair value plus transactions costs. Financial assets carried at fair value through profit and loss are initially recognized at fair value and the transaction costs are expensed in the income statement. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortized cost using the effective interest method.

### **3.14 Cash and cash equivalents**

For the purpose of cash flow, cash and cash equivalent comprise of cash and bank balances and short-term borrowings from the bank.

### **3.15 Trade receivables**

Trade receivables are stated at their original invoice value as reduced by appropriate allowances for estimated irrecoverable amounts.

### **3.16 Investments**

Investments acquired principally for the purpose of generating a profit from short term fluctuation in price or dealer's margin are classified as held for trading. Such investments are initially recognized on a trade-date basis and are initially measured at cost being the fair value of the consideration given excluding income taxes imposed on such transactions. Transactions costs associated with the acquisition of held for trading investments is expensed in the income statement.

After initial recognition, investments held for trade are re-measured at each balance sheet date at fair value excluding the transaction cost that may be incurred on sale or other disposal. Gains and losses arising from changes in fair value of held-for-trading investment are included in net profit or loss for the period.

For investments in quoted marketable securities, fair value is determined with reference to Stock Exchange quoted market prices at the close of business on balance sheet date.

### **3.17 Derivatives**

Derivative instruments held by the company generally comprise of future contracts in the capital market. These are initially recorded at costs and are subsequently re-measured at their fair value. The fair value of future contracts is calculated as being the net difference between the contract

price and the closing price reported on the primary exchange of the future contract. Derivatives with positive market values (un-realized gains) are included in other assets and derivatives with negative market value (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the income currently.

Derivative financial instruments entered into by the company do not meet the hedging criteria as defined by International Accounting Standard - 39 (Financial Instruments: Recognition and measurement). Consequently hedge accounting is not being followed by the company.

### **3.18 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual agreements entered into. All financial liabilities are initially recognized at cost, which is the fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortized cost, except for liabilities against asset subject to finance lease which are valued under IAS 17 as described above.

### **3.19 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

### **3.20 Offsetting**

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amount and the company intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

### **3.21 Stores and spares**

These are valued at lower of cost and estimated net realizable value. Cost comprises cost of purchase and other costs incurred in bringing the stores and spares to their present location and condition. Cost signifies the weighted average cost. Average is calculated as each additional shipment is received.

### **3.22 Stock in trade - Food and beverages**

Stock in trade is valued at the lower of cost and estimated net realizable value. Cost is calculated using the weighted average method. Average is calculated as each additional shipment is received. Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and cost necessary to be incurred in order to make the sale.

### **3.23 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is recognized as follows:

#### **Sales and Services**

Revenue is recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### **Dividend income**

Dividend income from investments is recognized at the time of the closure of share transfer book of the company declaring the dividend.

### **Profit on Bank Balances**

Profit on bank balances are recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

### **3.24 Impairment of non-financial assets**

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Whenever an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **3.25 Dividend distribution**

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved.

### **3.26 Change in accounting policy**

The specific provision/ section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of land and building stands amended as follows:

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below.

	As at June 30, 2017			As at June 30, 2016		
	As-previously reported	As-restated	Re-statement	As-previously reported	As-restated	Re-statement
	.....(Rupees '000).....					
<b>Effect on statement of financial position</b>						
Surplus on revaluation of property plant and equipment	4,412,147	—	(4,412,147)	4,434,111	—	(4,434,111)
Share capital and reserves	—	4,412,147	4,412,147	—	4,434,111	4,434,111
<b>Effect on statement of comprehensive income</b>						
Gain on revaluation of land and buildings - net of deferred tax				—	—	—

#### 4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### 4.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### Trade debtors

The company reviews its receivable against provision required there against on an ongoing basis. The provision is made taking into consideration expected recoveries, if any.

##### Income taxes

In making the estimates for income taxes currently payable by the company the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

##### Impairment of assets

In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the company's assets are impaired. This assessment may change due to technological developments.

##### Depreciable amount and useful lives of fixed assets

In accordance with the accounting policy, the management carries out an annual assessment of depreciable amount and useful lives of fixed assets. The company seeks advice from the technical department in this regard.

##### 4.2 Critical judgments in applying the company's accounting policies

Management believes that business transactions are simple in nature and there is no area where application of accounting policies could involve higher degree of judgment or complexity.

		2018	2017
		(Rupees '000)	
<b>5. Issued, subscribed and paid-up</b>			
16,580,800	Ordinary shares of Rs. 10/- each fully paid in cash	<b>165,808</b>	165,808
1,419,200	Ordinary shares of Rs. 10/- each issued for consideration other than cash (NRI)	<b>14,192</b>	14,192
<u>18,000,000</u>		<u><b>180,000</b></u>	<u>180,000</u>

There were no movement in the share capital of the company in either the 2017 or 2018 reporting years. The company has one class of ordinary shares which carry no right to fixed income.

		2018	2017
		(Rupees '000)	
<b>6. Surplus on revaluation of fixed assets</b>			
	Surplus on revaluation of leasehold land	<b>3,994,809</b>	3,994,809
	Surplus on revaluation of building on leasehold land	<b>396,471</b>	417,338
		<u><b>4,391,280</b></u>	<u>4,412,147</u>

Leasehold land and building on leasehold land were revalued by M/s. D. H. Daruvala & Co., Architects and Engineers (an independent valuer) in September 2003 resulting an increase over book value of Rs. 359.809 M and 508.280 M respectively. As on April 01, 2007 leasehold land and building on leasehold land were revalued by M/s Sardar Enterprises (an independent valuer) which resulted in increase of Rs. 1,227.750 M and Rs. 111.355 M respectively in the book value. As on May 28, 2014 leasehold land and building on leasehold land were revalued by M/s Sardar Enterprises (an independent valuer) which resulted in increase of Rs. 1,879.250 M and Rs. 226.296 M respectively in the book value. As on October 31, 2015 leasehold land and building on leasehold land were revalued by M/s. Sardar Enterprises (an independent valuer) which resulted an increase of Rs.528 M and Rs.135.228 M respectively in the book value. The incremental depreciation charged on these assets has been transferred to accumulated profit. The balance in the surplus on revaluation of fixed assets account is not available for distribution amongst the shareholders neither as dividend nor as bonus unless the property associated with surplus is disposed off. The Company is planning to conduct revaluation in the 2nd quarter of 2019 to assess the fresh revalued amount of the land and building.

Movement in the account of surplus on revaluation of fixed assets is as follows:

	<b>Surplus on revaluation of</b>	
	<b>Leasehold land</b>	<b>Building on leasehold land</b>
(Rupees '000)		
Surplus on June 30, 2016	<b>3,994,809</b>	439,302
Incremental depreciation (net of tax) transferred to accumulated profit	—	(21,964)
<b>Surplus on June 30, 2017</b>	<b>3,994,809</b>	417,338
Incremental depreciation (net of tax) transferred to accumulated profit	—	(20,867)
<b>Surplus on June 30, 2018</b>	<u><b>3,994,809</b></u>	<u>396,471</u>

		2018	2017
		(Rupees '000)	
<b>7. Liabilities against assets subject to finance leases</b>			
Opening balance		13,499	16,658
Assets acquired during the year		—	—
		<u>13,499</u>	<u>16,658</u>
Payments		<u>(3,183)</u>	<u>(3,159)</u>
		<b>10,316</b>	13,499
Transferred to current maturity	10	<u>(3,409)</u>	<u>(3,450)</u>
		<u><b>6,907</b></u>	<u>10,049</u>

Lease rental are payable in monthly installments under the lease agreements. Financing rates of 12 months KIBOR + 2.5%. and 3 months KIBOR + 3% p.a. These are secured by demand promissory notes and personal guarantees of directors.

Balance amount of future lease payments and the period in which they will fall due:

		2018			2017	
		(Rupees '000)				
Year	Minimum Lease Payment	Financial Charges	Present Value	Present Value		
Year ended 2019	4,229	820	3,409	3,422		
Year ended 2020	3,952	506	3,446	3,481		
Year ended 2021	3,626	165	3,461	3,146		

		2018	2017
		(Rupees '000)	
<b>8. Deferred taxation</b>			
These comprise the temporary differences due to:			
Accelerated depreciation		10,610	11,643
Revaluation, net of related depreciation		201,594	220,706
Others		116	(705)
		<u>212,320</u>	<u>231,644</u>

		2018	2017
<b>9. Security deposits</b>			
Opening balance		4,180	5,822
Paid during the year		—	(1,642)
		<u>4,180</u>	<u>4,180</u>

**9.1** Amount represents the security money received from the tenants as per tenancy agreements. Such deposits do not attract any mark up or interest and shall be repaid at the time of termination of lease.

		2018	2017
		(Rupees '000)	
<b>10. Current maturities</b>			
Obligation under finance lease	7	3,409	3,450
Advance rent		1,203	3,956
		<u>4,612</u>	<u>7,406</u>
<b>11. Accrued mark up</b>			
Accrued mark up on running finance		657	682
Accrued mark up on obligations under finance lease		83	102
		<u>740</u>	<u>784</u>
<b>12. Short term borrowings</b>			
Loan from directors - unsecured	12.1	—	2,500
Running finance - Summit Bank - secured	12.2	81,440	98,812
		<u>81,440</u>	<u>101,312</u>

**12.1** The Company had obtained a short term free of interest loan from the director of the Company which was repaid during the year. The loan was acquired to finance the working capital requirements.

**12.2** The Company has obtained running finance facility upto Rs.100 million from M/s. Summit Bank Ltd. The Facility is secured against mortgage of Showroom No.36 to 39, Ground and Mezzanine Floor situated in the hotel building and also personal guarantees given by the directors of the company. The loan bears markup 3 months KIBOR + 3% p.a.

		2018	2017
		(Rupees '000)	
<b>13. Creditors, accrued and other liabilities</b>			
Trade creditors - unsecured		8,220	3,578
<b>Accrued liabilities</b>			
Accrued expenses		13,799	1,643
Excise, taxes and others		807	62
Sales tax		1,304	—
		<u>15,910</u>	1,705
<b>Other liabilities</b>			
Guest and banquet deposits		2,219	1,667
Payable to employee gratuity fund		2,794	1,114
WWF payable		4,416	4,416
Bank overdraft - Faysal bank	13.1	5,422	1,828
Miscellaneous		2,974	4,681
		<u>17,825</u>	13,706
		<u>41,955</u>	<u>18,989</u>

**13.1** This represents balance as per books without any corresponding facility from the bank



## 14. Contingencies and commitments

- 14.1** Civil Aviation Authority has demanded a sum of Rs.0.336 million, being rental charges of the Company's restaurant at Karachi Airport. The suit is pending in the High Court of Sindh. The company has filed a counter suit for recovery of rent of furniture, fixtures and loss of food stuff and other assets of the company retained by the Civil Aviation Authority

Suit No.137 of 1984 has been filed by the company against Civil Aviation Authority for recovery of Rs.5.733 million on the ground that civil aviation authority allowed the company for running of one restaurant and four refreshment counters but later on they tried to open the same with another contractor when the company was trying to lift their goods from existing restaurant and four refreshment counters, they were stopped by civil aviation authority.

The said suit is kept on fixing for arguments while thrice arguments were heard and judgment was reserved.

- 14.2** Suit bearing No.343 of 1996 has been filed by the company against Saudi Arabian Airlines for the cancellation of agreement dated 22-02-1990, relating to the sale of two floors and four shops on the ground floor of AL-SEHAT CENTRE, and for recovery of possession of those premises. After the institution of the above suit, Saudi Arabian Airlines has also filed counter suit praying for the specific performance of the aforesaid agreement. Both these suits are pending in the High Court of Sindh at Karachi.

- 14.3** The Additional Commissioner Inland Revenue, Audit Range A, Zone - V, Large Taxpayer Unit, Karachi, on June 21, 2017, has issued an order under section 122(5A) of the Income Tax Ordinance, 2001, for further amending the assessment for the Tax Year 2011. The Learned Assessing Officer in his said order has treated the revenue on which tax has been deducted by the clients of company under Presumptive Tax Regime and has under same observation created tax demand of Rs.9,437,198/-. The company has filed an Appeal in the Office of the Commissioner (Appeals), Large Taxpayer Unit, Karachi. The appeal was decided partially against the company. The appeal against the decision of commissioner appeals was filed in Income tax tribunal and matter is pending in tribunal.

- 14.4** As the fire incident occurred in December, 2016, 12 precious lives including that of one staff member of the hotel were lost and several persons were injured. The case is pending in the Honorable IIIIRD Additional Session Judge South wherein all the 12 affectees have been compounded/ compromised with the applicant and the same is fixed for next hearing. In this regard company has paid total Rs. 58 M (2017: Rs. 18 M) as compensation to affectees families.

**2018**                      **2017**  
**(Rupees '000)**

**15. Fixed assets**

— Property, Plant and Equipment - tangible	15.1	<b>4,864,436</b>	4,905,751
— Capital work in progress	15.2	<b>36,177</b>	15,036
		<b><u>4,900,613</u></b>	<b><u>4,920,787</u></b>

**15.1 Property, plant and equipment - tangible**

PARTICULARS	COST/REVALUATION					Rate %	DEPRECIATION					W. D. V as at 30-06-2018
	As at 1-07-2017	Revalu- ation	Addi- tions	Disposal	As at 30-6-2018		As at 1-7-2017	For the year	Realized on revalu- ation	Disposal	As at 30-6-2018	
<b>OWNED</b>												
Leasehold land	4,026,000	—	—	—	4,026,000	—	—	—	—	—	—	4,026,000
Leasehold land - Gharo	2,549	—	—	—	2,549	—	—	—	—	—	—	2,549
Building on leasehold land	820,065	—	—	—	820,065	5	67,052	37,651	—	—	104,703	715,362
Farm House on leasehold land	8,042	—	—	—	8,042	5	2,427	281	—	—	2,708	5,334
Gharo	8,042	—	—	—	8,042	5	2,427	281	—	—	2,708	5,334
Airconditioning plant	82,184	—	3,892	—	86,076	10	55,989	2,910	—	—	58,899	27,177
Elevators	7,449	—	—	—	7,449	10	5,758	169	—	—	5,927	1,522
Electric installation	7,485	—	—	—	7,485	10	6,824	66	—	—	6,890	595
Electric fancy fitting	565	—	—	—	565	10	513	5	—	—	518	47
Furniture and fixtures	91,291	—	—	—	91,291	10	72,330	1,896	—	—	74,226	17,065
In-house TV system	17,314	—	—	—	17,314	10	5,386	1,193	—	—	6,579	10,735
Gas connection	227	—	—	—	227	10	223	—	—	—	223	4
Carpets	14,578	—	3,663	—	18,241	10	11,342	562	—	—	11,904	6,337
Sound radio fusion system	2,440	—	—	—	2,440	10	2,098	34	—	—	2,132	308
Telephone installation	10,335	—	—	—	10,335	10	9,188	115	—	—	9,303	1,032
Crockery and cutlery	5,520	—	—	—	5,520	0	—	—	—	—	—	5,520
Uniforms and linen	8,878	—	—	—	8,878	0	—	—	—	—	—	8,878
Laundry equipments	5,007	—	—	—	5,007	10	4,011	100	—	—	4,111	896
Equipments and accessories	41,448	—	354	—	41,802	10	27,833	1,388	—	—	29,221	12,581
Office equipments	5,489	—	—	—	5,489	10	4,384	110	—	—	4,494	995
Vehicles	3,814	—	—	—	3,814	20	2,126	338	—	—	2,464	1,350
Neon signs	435	—	—	—	435	10	376	6	—	—	382	53
Arms	37	—	—	—	37	10	33	—	—	—	33	4
Diesel Generator - Caterpillar	4,100	—	—	—	4,100	10	3,163	94	—	—	3,257	843
Diesel Generator - VISA	4,196	—	—	—	4,196	10	2,734	146	—	—	2,880	1,316
<b>Sub Total - Owned</b>	<b>5,169,448</b>	<b>—</b>	<b>7,909</b>	<b>—</b>	<b>5,177,357</b>		<b>283,790</b>	<b>47,064</b>	<b>—</b>	<b>—</b>	<b>330,854</b>	<b>4,846,503</b>
<b>LEASED:</b>												
Vehicles	2,265	—	—	—	2,265	20	755	302	—	—	1,057	1,208
Chiller	21,000	—	—	—	21,000	10	2,417	1,858	—	—	4,275	16,725
Sub Total Leased	23,265	—	—	—	23,265		3,172	2,160	—	—	5,332	17,933
<b>Grand Total 2018</b>	<b>5,192,713</b>	<b>—</b>	<b>7,909</b>	<b>—</b>	<b>5,200,622</b>		<b>286,962</b>	<b>49,224</b>	<b>—</b>	<b>—</b>	<b>336,186</b>	<b>4,864,436</b>

(Rupees '000)

PARTICULARS	COST/REVALUATION					Rate %	DEPRECIATION					W. D. V as at 30-06-2017
	As at 1-07-2016	Revalu- ation	Addi- tions	Disposal	As at 30-6-2017		As at 1-7-2016	For the year	Realized on revalu- ation	Disposal	As at 30-6-2017	
<b>OWNED</b>												
Leasehold land	4,026,000	—	—	—	4,026,000	—	—	—	—	—	—	4,026,000
Leasehold land - Gharo	2,549	—	—	—	2,549	—	—	—	—	—	—	2,549
Building on leasehold land	820,065	—	—	—	820,065	5	27,420	39,632	—	—	67,052	753,013
Farm House on leasehold land												
Gharo	8,042	—	—	—	8,042	5	2,131	296	—	—	2,427	5,615
Airconditioning plant	86,734	—	—	(4,550)	82,184	10	57,152	2,958	—	(4,121)	55,989	26,195
Elevators	7,449	—	—	—	7,449	10	5,570	188	—	—	5,758	1,691
Electric installation	7,485	—	—	—	7,485	10	6,751	73	—	—	6,824	661
Electric fancy fitting	565	—	—	—	565	10	507	6	—	—	513	52
Furniture and fixtures	97,291	—	—	(6,000)	91,291	10	75,593	2,170	—	(5,433)	72,330	18,961
In-house TV system	16,366	—	1,129	(181)	17,314	10	4,236	1,312	—	(162)	5,386	11,928
Gas connection	227	—	—	—	227	10	222	1	—	—	223	4
Carpets	14,578	—	—	—	14,578	10	10,983	359	—	—	11,342	3,236
Sound radio fusion system	2,440	—	—	—	2,440	10	2,060	38	—	—	2,098	342
Telephone installation	10,335	—	—	—	10,335	10	9,061	127	—	—	9,188	1,147
Crockery and cutlery	5,520	—	—	—	5,520	0	—	—	—	—	—	5,520
Uniforms and linen	8,878	—	—	—	8,878	0	—	—	—	—	—	8,878
Laundry equipments	5,007	—	—	—	5,007	10	3,900	111	—	—	4,011	996
Equipments and accessories	44,506	—	442	(3,500)	41,448	10	29,483	1,520	—	(3,170)	27,833	13,615
Office equipments	6,289	—	—	(800)	5,489	10	4,977	131	—	(724)	4,384	1,105
Vehicles	2,414	—	1,400	—	3,814	20	2,016	110	—	—	2,126	1,688
Neon signs	435	—	—	—	435	10	370	6	—	—	376	59
Arms	37	—	—	—	37	10	33	—	—	—	33	4
Diesel Generator - Caterpillar	4,100	—	—	—	4,100	10	3,059	104	—	—	3,163	937
Diesel Generator - VISA	4,196	—	—	—	4,196	10	2,572	162	—	—	2,734	1,462
<b>Sub Total - Owned</b>	<b>5,181,508</b>	<b>—</b>	<b>2,971</b>	<b>(15,031)</b>	<b>5,169,448</b>		<b>248,096</b>	<b>49,304</b>	<b>—</b>	<b>(13,610)</b>	<b>283,790</b>	<b>4,885,658</b>
<b>LEASED:</b>												
Vehicles	2,265	—	—	—	2,265	20	377	378	—	—	755	1,510
Chiller	21,000	—	—	—	21,000	10	350	2,067	—	—	2,417	18,583
Sub Total Leased	23,265	—	—	—	23,265		727	2,445	—	—	3,172	20,093
<b>Grand Total 2017</b>	<b>5,204,773</b>	<b>—</b>	<b>2,971</b>	<b>(15,031)</b>	<b>5,192,713</b>		<b>248,823</b>	<b>51,749</b>	<b>—</b>	<b>(13,610)</b>	<b>286,962</b>	<b>4,905,751</b>

15.1.1 Depreciation charge for the year has been allocated as follows:

		2018 (Rupees '000)	2017
Cost of sales and services	23	44,302	46,574
Administrative, selling and general expenses	24	4,922	5,175
		<u>49,224</u>	<u>51,749</u>

15.1.2 The Lands are situated at Survey No. 312 and No. 313 at with covered area of 10 acres and 4 acres respectively situated at Deh Mehro, Sufico, Tappo Gujjo, Taluka Mirpur Sakro, District Thatta. In addition to this, property comprises of land and building situated at registered address of the Company as mentioned in note 1.

**15.1.3** Gross carrying amount of all the items of property, plant and equipment represents their cost except leasehold land and building on leasehold land which are stated at revalued amount. Had the revaluation not been carried out the carrying amount of the leasehold land and building on leasehold land would have been Rs. 31.191 (2017: 31.191) million and Rs. 92.620 (2017: 97.495) million respectively.

**15.1.4** Leasehold land and building on leasehold land were revalued in 31.10.2015 and the revaluation surplus of Rs 528 million and Rs. 135.23 million were added to the value of leasehold land and building on leasehold land respectively. Forced sale value of which was Rs. 3,623 M and Rs. 723 M respectively.

**15.1.5** The following fixed assets were disposed off during the year:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>	<b>Sale Proceeds</b>	<b>Particulars of Buyer/ Mode of disposal</b>
.....(Rupees '000).....					
<b>Total 2018</b>	—	—	—	—	
Total 2017	15,031	13,610	1,421	51	

#### **15.1.6 Revaluation of fixed assets**

As on 12-09-2003, company's properties comprising leasehold land and building on leasehold land have been revalued on market value basis assuming the continued use of the property as a hotel and convention centre. The revaluation has been carried out by M/s. D. H. Daruvala & Co. Architects and Engineers (an independent valuer). These revaluation has resulted in a surplus of Rs. 868.089 million which has been included in the book value of fixed assets and credited (net of tax) to a surplus on revaluation of fixed assets. As on 01-04-2007, the above properties were revalued by M/s Sardar Enterprise (an independent valuer) on the same basis as was previously used. The revaluation has resulted in a further surplus of Rs. 1,339.105 million which has been included in the book value of fixed assets and credited (net of deferred tax) to surplus on revaluation of fixed assets. As on 28-05-2014, the properties were revalued by M/s Sardar Enterprises (an independent valuer) on the same basis as was previously used. The revaluation has resulted in a further surplus of Rs. 2,105.546 million which has been included in the book value of fixed assets and credited (net of deferred tax) to surplus on revaluation of fixed assets. As on October 31, 2015 leasehold land and building on leasehold land were revalued by M/s. Sardar Enterprises (an independent valuer) which resulted an increase of Rs.528 M and Rs.135.228 M respectively in the book value. The incremental depreciation charged on these assets has been transferred to accumulated profit. The incremental depreciation net of deferred tax has been charged to the surplus on revaluation of fixed assets account.

	<b>2018</b>	<b>2017</b>
	<b>(Rupees '000)</b>	
<b>15.2 Capital work in progress</b>		
Civil works	<b>6,165</b>	5,036
Installation of fire fighting system	<b>30,012</b>	10,000
	<b>36,177</b>	15,036

**15.2.1** The firefighting system is partially operative and will be capitalized on complete installation Since determination of roomwise cost is not practical.

		2018	2017
		(Rupees '000)	
<b>16. Long term deposits</b>			
Utility deposits		6,080	6,080
		<u>6,080</u>	<u>6,080</u>
<b>17. Stores and spares</b>			
Consumable stores		541	831
Stationery		678	653
		<u>1,219</u>	<u>1,484</u>
<b>18. Stock in trade - food and beverages</b>			
Food		52	—
		<u>52</u>	<u>—</u>
<b>19. Trade debts-unsecured, considered good</b>			
Due from customers		32,053	9,177
Receivable against sale of Al-Sehat		1,965	1,965
	19.1	<u>34,018</u>	11,142
Considered doubtful			
Due from customers		2,393	2,273
		<u>36,411</u>	13,415
Provision against doubtful debts		(2,393)	(2,273)
		<u>34,018</u>	<u>11,142</u>
<b>19.1</b>	This does not include any balance receivable from any related party.		
<b>20. Advances, prepayments and other receivables</b>			
<b>Advances - unsecured considered good</b>			
Staff		94	30
Suppliers		9,692	20,886
Income tax (net of liability)		11,335	12,913
		<u>21,121</u>	33,829
<b>Prepayments</b>			
Insurance		143	125
Miscellaneous		276	420
		<u>419</u>	545
<b>Other receivables</b>			
Rent receivable		5,715	4,924
Miscellaneous		1,798	5,442
		<u>7,513</u>	10,366
		<u>29,053</u>	<u>44,740</u>
<b>21. Cash and bank balances</b>			
Cash in hand		1,160	2,776
Cash at banks (in current accounts)		41,100	67,731
Cash at bank (in deposit account)	21.1	4,355	4,206
		<u>46,615</u>	<u>74,713</u>

**21.1** Amount is placed with commercial banks carrying markup ranging from 4.5% to 5.0% per annum (2017: 4.5% to 5.0% ) payable monthly.

This include 4.180 million (2017: 4.180 million) being security money received from the tenants as per tenancy agreements. Such deposits do not attract any markup or interest and shall be repaid at the time of termination of lease.

		2018	2017
		(Rupees '000)	
<b>22. Sales and services - net</b>			
Room rent		268,578	199,139
Food and beverages		114,097	117,380
Shop license fees		3,676	9,415
Other minor operated departments	22.1	30,447	24,034
		<b>416,798</b>	<b>349,968</b>

**22.1** This includes revenue from rent of convention hall, and sale of telephone, laundry, health club and others ancillary services.

## 23 Cost of sales and services

### *Food and beverages*

Opening stock		—	1,959
Purchases		30,434	38,062
Closing stock		(52)	—
Consumption during the year		<b>30,382</b>	40,021

### *Direct expenses*

Salaries, wages and other benefits	23.1	48,440	43,511
Heat, light and power		41,383	27,785
Replacement of linen, china and glassware		849	5,434
Uniforms		287	336
Guest transportation charges		3,587	3,216
Water charges		1,810	1,809
Decoration hire charges		503	755
Consumable stores		3,773	3,669
Guest supplies		5,512	5,329
Commission		478	532
Musical expenses		425	344
Laundry and dry cleaning		736	1,193
Security Service		4,323	—
Telephone, telex and other related expenses		909	1,592
License and taxes		613	416
Traveling and transportation		437	575
Printing and stationery		1,072	1,370
Miscellaneous		1,589	4,129
Depreciation	15.1.1	44,302	46,574
		<b>161,028</b>	148,569
		<b>191,410</b>	<b>188,590</b>

**23.1** Includes Rs. 0.363 million (2017: Rs. 0.494 million) in respect of employee retirement benefits.

		2018	2017
		(Rupees '000)	
<b>24. Administrative, selling and general expenses</b>			
Salaries and other benefits	24.1	50,534	43,768
Entertainment		2,930	1,233
Traveling and transportation		2,186	3,147
Running and maintenance of vehicle		2,163	881
Rent, rates and taxes		1,884	1,963
Heat, light and power		4,298	2,853
Communications		1,649	1,700
Printing and stationery		795	1,530
Advertisement and sales promotion		209	2,211
Legal and professional charges		5,014	3,803
Auditors' remuneration	24.2	495	475
Repair and maintenance		62,327	62,083
Bank commission and charges		117	325
Fee and subscription		1,774	754
Pest control		911	631
Donation	24.3	560	55
Insurance		221	90
Compensation to affectees	24.4	58,437	18,311
Commissions		1,915	3,231
Provision for bad debts		120	120
Miscellaneous		426	489
Staff uniforms		39	13
Shops premium		23,000	8,600
Software charges		1,051	—
Depreciation	15.1.1	4,922	5,175
		<u>227,977</u>	<u>163,441</u>

**24.1** Includes Rs.0.198 million (2017: Rs. 0.270 million) in respect of employee retirement benefits.

**24.2 Auditors' remuneration**

Audit fee	425	425
Certification fee	20	—
Out of pocket	50	50
	<u>495</u>	<u>475</u>

**24.3 Donation**

Jamiat Taleemul Quran	60	55
Women Welfare Association	500	—
	<u>560</u>	<u>55</u>

None of the directors or his spouse is interested in the funds of donees.

**24.4** This represents payment of compensation to affectees for fire incident.

	2018	2017
	(Rupees '000)	
<b>25. Other operating income / (loss)</b>		
Profit on tender of foreign currency	210	77
Gain on disposal of assets	—	32
Profit on saving account	166	188
Loss of fixed assets due to Fire incident	—	(1,402)
	<u>376</u>	<u>(1,105)</u>
<b>25.1 Gain on disposal of assets</b>		
Sale proceeds	—	51
Cost of assets	—	181
Less: Accumulated depreciation	—	162
Net book value	—	19
	<u>—</u>	<u>32</u>
<b>26 Financial charges</b>		
Interest on lease assets	1,102	1,386
Interest on short term borrowings	8,647	1,768
	<u>9,749</u>	<u>3,154</u>
<b>27 Taxation</b>		
Current year	23,173	26,576
Prior year	1,156	(3,375)
Deferred	(19,324)	(18,606)
	<u>5,005</u>	<u>4,595</u>

**27.1** Aggregate current and deferred tax relating to items charged or credited to equity

Deferred tax of Rs.8.523 million (2017: Rs.9.867 million) was transferred from retained earnings to revaluation surplus. This relates to the difference between the depreciation on the revalued building on leasehold land and equivalent depreciation based on the cost of the building.

	2018	2017
	(Rupees '000)	
<b>27.2 Tax charge reconciliation</b>		
Accounting loss	(11,962)	(6,322)
Tax at the applicable tax rate of 30% (2017: 31%)	(3,589)	(1,960)
Tax effect of expenses that are not deductible in determining taxable profit	13,871	1,494
Tax effect of items that are not deductible in determining accounting profit	(11,603)	(7,441)
Tax effect of remeasurement of liability	5,170	15,877
Tax effect of changes in prior year current tax	1,156	(3,375)
	<u>5,005</u>	<u>4,595</u>



**27.3** The provision for current year tax represent tax on taxable income at the rate of 30%. According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	..... (Rupees '000) .....		
Income tax provision for the year – accounts	26,576	75,905	72,501
Income tax as per assessment	27,732	72,530	75,893
Difference	<u>(1,156)</u>	<u>3,375</u>	<u>(3,392)</u>

## **28 Cash generated from operations**

Loss before taxation	<b>(11,962)</b>	(6,322)
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### **Adjustment for non cash items and other adjustments:**

Depreciation	<b>49,224</b>	51,749
Financial charges	<b>9,749</b>	3,154
Provision for bad debts	<b>120</b>	120
Profit on saving account	<b>(166)</b>	(188)
(Gain)/loss on disposal of assets	—	(32)
Loss of fixed assets due to Fire Incident	—	1,402
	<b>58,927</b>	56,205
	<b>46,965</b>	49,883

### **(Increase)/decrease in operating assets**

Stores and spares	<b>265</b>	1,035
Stock in trade	<b>(52)</b>	1,959
Trade debts	<b>(22,996)</b>	80,349
Advances, prepayments and other receivables	<b>14,110</b>	(17,552)
	<b>(8,673)</b>	65,791

### **Increase/(decrease) in operating liabilities**

Advances and deposits	<b>(2,753)</b>	(2,609)
Creditors, accrued and other liabilities	<b>18,253</b>	(42,921)
	<b>15,500</b>	(45,530)
	<b>53,792</b>	70,144

## **29 Cash and cash equivalent**

Cash and bank balances	<b>46,615</b>	74,713
Short term running finance - Summit bank	<b>(81,440)</b>	(98,812)
Bank overdraft - Faysal bank	<b>(5,422)</b>	(1,828)
	<b>(40,247)</b>	(25,927)

## **30 Employee benefits**

**30.1** As mentioned in note 3.7, the Company operates an approved gratuity fund and makes contribution on actuarial recommendations. The most recent actuarial valuations were carried out by M/s Nauman Associates, Consulting Actuaries on August 1st, 2018 of the present value of the defined benefit obligation at June 30, 2018. The projected unit credit method, using the following significant assumptions has been used for the actuarial valuation.

	2018	2017
<b>30.1.1 Actuarial assumptions</b>		
Discount rate for interest cost in Profit and Loss charge	7.75%	9.00%
Discount rate used for year end obligation	10.00%	7.75%
Salary increase used for year end obligation		
Salary increase FY 2018 onward	N/A	N/A
Salary increase FY 2019 onward	9.00%	6.75%
Net salary is increased at	1-Jul-18	1-Jul-17
Mortality rate	SLIC 2001-2005 Set back 1 year	SLIC 2001-2005 Set back 1 year
Withdrawal rates	Age-based	Age-based
Retirement assumption	Age 60	Age 60
	<b>2018</b>	<b>2017</b>
	<b>(Rupees '000)</b>	
<b>30.1.2 Amount recognized in statement of financial position are as follows:</b>		
Present value of defined benefit obligation	6,450	4,887
Add: Payable	900	867
Less: Fair value of Plan asset	<u>(4,556)</u>	<u>(4,640)</u>
Liability on balance sheet	<u><u>2,794</u></u>	<u><u>1,114</u></u>
<b>30.1.3 Changes in present value of defined benefit obligation</b>		
Opening present value of obligation	4,887	6,470
Current service cost	592	818
Interest cost on defined benefit obligations	328	456
Benefits due but not paid during the year	(314)	(494)
Benefits paid	(992)	(2,312)
Adjustment for previous year payable	—	352
Remeasurement	<u>1,949</u>	<u>(403)</u>
Closing present value of obligation	<u><u>6,450</u></u>	<u><u>4,887</u></u>
<b>30.1.4 Changes in fair value of plan assets</b>		
Opening fair value of plan assets	4,640	6,492
Interest income on plan assets	360	511
Return on plan assets, excluding interest income	(170)	(279)
Benefits paid	(1,274)	(2,784)
Contribution by Company	<u>1,000</u>	<u>700</u>
Closing fair value of plan assets	<u><u>4,556</u></u>	<u><u>4,640</u></u>
<b>30.1.5 Expense recognized in profit and loss account</b>		
Current service cost	592	819
Interest cost on defined benefit obligation	328	456
Interest income on plan assets	<u>(359)</u>	<u>(512)</u>
	<u><u>561</u></u>	<u><u>763</u></u>

	2018 (Rupees '000)	2017
<b>30.1.6 Total remeasurements chargeable in other comprehensive income</b>		
Actuarial (gains)/losses from changes in financial assumptions	33	(14)
Remeasurement of plan obligation - Experience adjustment	1,916	(389)
Return on plan assets, excluding interest income	170	279
Unrecognized Actuarial Gains/(Losses) at end	<u>2,119</u>	<u>(124)</u>
<b>30.1.7 Changes in net liability</b>		
Liability/(asset) as per statement of financial position	1,114	1,174
Expense chargeable to profit and loss account	561	764
Remeasurement chargeable in other comprehensive income	2,119	(124)
Contributions	(1,000)	(700)
Statement of financial position's liability	<u>2,794</u>	<u>1,114</u>

**30.1.8** Based on actuarial advise the company intends to charge an amount of approximately Rs.1.181 million in respect of gratuity fund in the financial statements for the year ending 30 June 2019.

**30.1.9 Additional disclosure items Plan asset at June 30, 2018 comprise:**

Bond	0%	0%
Equity	0%	0%
Cash and / or deposits	100%	100%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

**2018  
(Rs. '000)**

**Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation**

Discount rate + 100 bps	5,847
Discount rate - 100 bps	7,149
Salary increase + 100 bps	7,158
Salary increase - 100 bps	5,829
The average duration of the defined benefit obligations is:	10 years

**31 Transactions with related parties and associated undertakings**

The related parties and associated undertakings comprise local associated companies, gratuity fund, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	2018 (Rupees '000)	2017
Loan taken from directors	—	5,200
Loan repaid to directors	2,500	2,700
Gratuity Fund	1,000	700

The company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at arm's length determined in accordance with comparable uncontrolled price method.

## 32. Remuneration of Chief Executive, Directors, Non-executive Directors and Executives

	2018				2017			
	(Rupees '000)							
	Chief Executive	Directors	Non Executive Directors	Executives	Chief Executive	Directors	Non Executive Directors	Executives
Fees	—	—	60	—	—	—	—	—
Managerial remuneration	7,608	6,293	—	4,394	6,426	4,948	—	10,160
Perquisites and allowances	3,423	2,831	—	1,984	2,892	2,227	—	4,866
Company's contribution to gratuity fund	—	—	—	283	—	—	—	—
	<u>11,031</u>	<u>9,124</u>	<u>60</u>	<u>6,661</u>	<u>9,318</u>	<u>7,175</u>	<u>—</u>	<u>15,026</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>19</u>

32.1 The permanent executives of the Company are entitled to gratuity under the scheme.

**2018**                      **2017**  
(Rupees '000)

## 33. Financial instruments and risk management

### 33.1 Financial assets and liabilities

#### Financial Assets - loan and receivables

##### Maturity up-to one year

Trade debts	<b>34,018</b>	11,142
Other receivables	<b>7,513</b>	10,366
Cash and bank balances	<b>46,615</b>	74,713
Maturity after one year		
Long term deposits	<b>6,080</b>	6,080
	<b>94,226</b>	102,301

#### Financial liabilities - at amortised cost

##### Maturity up-to one year

Creditors, accrued and other liabilities	<b>41,955</b>	11,569
Current maturity	<b>4,612</b>	7,406
Unpaid dividend	<b>14,125</b>	14,125
Unclaimed dividend	<b>10,251</b>	10,251
Short term borrowing	<b>81,440</b>	101,312
Maturity after one year		
Advances and deposits - unsecured	<b>4,180</b>	4,180
Liability against assets subject to finance lease	<b>6,907</b>	10,049
	<b>163,470</b>	158,892
On-statement of financial position gap	<b>(69,244)</b>	(56,591)

### 33.2 Financial instruments

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

#### 33.2.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arise principally from long, trade receivables, balances with bank and other receivables and deposits. Out of the total financial assets of Rs. 94,226 million (2017: Rs.102,301 million), financial assets which are subject to credit risk amount to Rs. 93,067 million (2017:Rs. 99,525 million).

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking in to account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. Commercial and loyal customers are awarded with credits having no history of default. Balance with bank are those having satisfactory credit ratings. Details of banks are as follows:

S.No.	Name of Bank	Ratings		
		Short Term	Long Term	Agency
1	Bank Al-Habib Ltd.	A1+	AA+	PACRA
2	Silk Bank Limited	A-2	A-	JCR-VIS
3	Summit Bank Limited	A-1	A-	JCR-VIS
4	NBP	A1+	AAA	PACRA
5	Faysal Bank Limited	A-1+	AAA	JCR-VIS
		A1+	AA	PACRA
6	Habib Bank Limited	A-1+	AA	JCR-VIS
		A-1+	AAA	JCR-VIS
7	United Bank Limited	A-1+	AAA	JCR-VIS
		A1	A	PACRA
8	Al-Baraka Bank Ltd.	A-1	A+	JCR-VIS
9	Meezan Bank	A-1+	AA+	JCR-VIS

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2018	2017
	(Rupees '000)	
Long term deposits	6,080	6,080
Trade debts	34,018	11,142
Other receivables	7,514	10,366
Bank balances	45,455	71,937
	<b>93,067</b>	<b>99,525</b>
The aging of trade receivables at the reporting date is:		
Past due 0 - 30 days	13,686	—
Past due 31 - 60 days	10,265	—
Past due 61 - 90 days	7,674	—
Past due 91 - 120 days	798	—
Past due 120 days	1,595	11,142
	<b>34,018</b>	<b>11,142</b>

Based on past experience the management believes that no impairment allowance is necessary in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

### 33.2.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The following are the contractual maturities of financial liabilities, including estimated interest payments:

	30 June 2018					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	.....(Rupees '000).....					
<b>Financial liabilities</b>						
Advances and deposits	4,180	4,180	—	—	4,180	—
Trade and other payables	41,955	41,955	41,955	—	—	—
Short term borrowings	81,440	81,440	—	81,440	—	—
Unpaid dividend	14,125	14,125	14,125	—	—	—
Unclaimed dividend	10,251	10,251	10,251	—	—	—
Current maturity	4,612	4,612	2,907	1,705	—	—
Liabilities subject to finance lease	6,907	6,907	—	—	3,446	3,461
<b>2018</b>	<b>163,470</b>	<b>163,470</b>	<b>69,238</b>	<b>83,145</b>	<b>7,626</b>	<b>3,461</b>

	30 June 2017					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	.....(Rupees '000).....					
<b>Financial liabilities</b>						
Advances and deposits	4,180	4,180	—	—	4,180	—
Trade and other payables	11,569	11,569	11,569	—	—	—
Short term borrowings	101,312	101,312	101,312	—	—	—
Unpaid dividend	14,125	14,125	14,125	—	—	—
Unclaimed dividend	10,251	10,251	10,251	—	—	—
Current maturity	7,406	7,406	5,627	1,779	—	—
Liabilities subject to finance lease	10,049	10,049	—	—	3,422	6,627
<b>2017</b>	<b>158,892</b>	<b>158,892</b>	<b>142,884</b>	<b>1,779</b>	<b>7,602</b>	<b>6,627</b>

### 33.2.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holding of financial instruments.

#### 33.2.3.1 Currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation related risks are therefore not included in the assessment of the entity's exposure to currency risks. The company is not exposed to currency risk.

#### 33.2.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect value of financial instruments. The company is exposed to interest rate risk due to its short term borrowing.

The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates. However, company has obtained short term borrowing facility which is subject to change in market interest rate.

Financial assets include balances of Rs. 4 million (2017: Rs. 4 million), which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes. Company had obtained KIBOR based short term borrowing facility amounting to Rs. 81 million (2017: 101 million) that expose company to cash flow interest rate risk. Details of facility is disclosed in respective note. The movement of liability of short term finance under KIBOR are expected to change over time, therefore, sensitivity analyses presented as at June 30, 2018 may not necessarily indicative of the effect on the Company's profit/ loss due to further movement in interest rate.

In case of increase/ decrease in KIBOR by 100 basis points on the last pricing date with all other variable held constant, profit before tax for the year would have been lower/ higher by Rs.0.81 million (2017: Rs.0.4 million).

### 33.2.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

### 33.3 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 34. Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of Directors monitors the return on capital employed, which the company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide adequate return to:

The company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

Neither there were any changes in the company's approach to capital management during the year nor the company is subject to externally imposed capital requirements.

	<b>2018</b>	<b>2017</b>
	<b>(Rupees '000)</b>	
<b>35. Loss per share</b>		
Net (loss) after taxation	<u><u>(16,967)</u></u>	<u><u>(10,917)</u></u>
Weighted average number of ordinary shares	<u><u>18,000</u></u>	<u><u>18,000</u></u>
	<b>2018</b>	<b>2017</b>
	<b>(Rupees)</b>	
Basic loss per share - Rupees	<u><u>(0.94)</u></u>	<u><u>(0.61)</u></u>
Diluted loss per share - Rupees	<u><u>(0.94)</u></u>	<u><u>(0.61)</u></u>

## 36. Non-adjusting events after the balance sheet date

In the meeting of Board of Directors held on October 02<sup>nd</sup>, 2018, the directors have not recommended any dividend (2017: NIL).

	2018	2017
<b>37. Number of Employees</b>		
Total number of employees - at year end	<u>142</u>	<u>96</u>
Average number of employees	<u>138</u>	<u>137</u>
<b>38. Capacity and production</b>		
No. of rooms	400	400
Average percentage of occupancy	21.59%	22.92%

The level of occupancy depends on the extent of movement in tourism, business and airlines sector. Further, operation of the company were resumed in August 2017, after fire incident. 211 rooms were furnished with fire fighting facility and available for occupancy as on June 30, 2018 works-out to 42% occupancy when calculated with number of operating rooms.

### 39. Reclassification

Amount transferred from	Amount transferred to	Note	Rupees in'000
Creditors, accrued and other liabilities		13	(24,376)
	Un-paid dividend		14,125
	Unclaimed dividend		10,251

The amount is reclassified for better presentation of financial statements.

### 40. Date of authorization for issue

These financial statements were authorized for issue on October 02<sup>nd</sup>, 2018 by the Board of Directors of the Company.

### 41. Figures

Figures have been rounded off to the nearest thousand of rupee.

  
**MUZAFFAR F. BAWEJA**  
 Chief Executive Officer

  
**ZUBAIR BAWEJA**  
 Managing Director

  
**SYED HASEEN ANWER**  
 Chief Financial Officer

Karachi: October 02<sup>nd</sup>, 2018



## Pattern of Shareholdings Held by Shareholders

As on June 30, 2018

NO. OF SHARE HOLDERS	From	SHAREHOLDING	To	TOTAL SHARES HELD
243	1	—	100	5,445
72	101	—	500	25,178
31	501	—	1000	28,793
30	1001	—	5000	80,473
9	5001	—	10000	67,033
2	10001	—	15000	27,500
3	15001	—	20000	55,000
5	20001	—	25000	114,535
2	25001	—	30000	57,500
1	35001	—	40000	40,000
1	70001	—	75000	75,000
1	145001	—	150000	150,000
1	195001	—	200000	200,000
2	240001	—	245000	486,000
1	295001	—	300000	300,000
1	400001	—	405000	405,000
1	555001	—	560000	555,340
3	620001	—	625000	1,868,811
1	1000001	—	1005000	1,002,324
1	1285001	—	1290000	1,289,360
1	1420001	—	1425000	1,423,860
3	1435001	—	1440000	4,317,080
1	1605001	—	1610000	1,608,860
1	1655001	—	1660000	1,658,454
1	2155001	—	2160000	2,158,454
<b>418</b>				<b>18,000,000</b>

## Categories of Shareholders as on June 30, 2018

Particulars	No. of Share Holders	Shares Held	Percentage
<b>(Directors)</b>			
Mr. Mansoor F. Baweja	1	1,000	0.01
Mr. S. Mahmood Baweja	1	1,608,860	8.94
Mr. Mohsin Baweja	1	1,289,360	7.16
Mr. Masroor F. Baweja	1	1,439,360	8.00
Mr. Muzaffar F. Baweja	1	1,658,454	9.21
Mr. Zaheer Baweja	1	1,423,860	7.91
Mr. Zubair Baweja	1	2,158,454	11.99
Mrs. Shireen Ahad	1	622,437	3.46
Mr. M.A. Majeed	1	600	0.00
<b>(Relatives of Directors)</b>			
Mr. S.Ferozuddin Baweja	1	5,468	0.03
Mst. Shahida Begum	1	1,002,324	5.57
Mrs. Samina Mansoor Baweja	1	1,438,360	7.99
Mrs. Waqarunnisa Mohsin	1	150,000	0.83
Mr. Amir F. Baweja	1	1,439,360	8.00
Mrs. Lubna Muzaffar	1	300,000	1.67
Mrs. Shahina Khalid	1	624,937	3.47
Mrs. Shazia Jamal	1	621,437	3.45
Mr. Mudabbir Muzaffar Baweja	1	200,000	1.11
Mr. Aneeq Ahmed	1	8,765	0.05
Mrs. Asma Mahmood Baweja	1	242,500	1.35
Ms. Amtul Haseen Baweja	1	405,000	2.25
<b>Individuals</b>			
(Minority Shareholders)	386	1,013,163	5.63
<b>Others</b>			
Joint Stock Companies	10	346,001	1.92
IDBL (ICP Units)	1	300	0.00
Banks/Financial Institutions	0	—	—
<b>TOTAL</b>	<b>418</b>	<b>18,000,000</b>	<b>100.00</b>

### Shareholders holding 10% or more voting interest

1. Mr. Zubair Baweja	—	2,158,454	11.99
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The above statement include =360= Shareholders holding =17,405,599= Shares through the M/s. Central Depository Company of Pakistan Ltd. (CDC)



# PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
(NAME) (PLACE)

being a member of **PAKISTAN HOTELS DEVELOPERS LTD**, hereby appoint

\_\_\_\_\_ of \_\_\_\_\_  
(NAME) (PLACE)

another member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the 39<sup>th</sup> Annual General Meeting of the Company to be held on 26<sup>th</sup> October, 2018 at 03:30 P.M. at the Registered Office, 195/2, Shahrah-e-Faisal, Karachi and at any adjournment, thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

## Specimen Signature of Proxy

Folio No. \_\_\_\_\_

Participant I.D. No. \_\_\_\_\_

Sub Account No. \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

## Signature of Member

Folio No. \_\_\_\_\_

Participant I.D. No. \_\_\_\_\_

Sub Account No. \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

## WITNESSES:

(1) Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

(2) Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

## Important:

1. This form of Proxy, duly completed must be deposited with the Secretary of the Company or at our Independent Share Registrar Office M/s. F.D. Registrar Service (SMC-PVT) Ltd., 17<sup>th</sup> Floor, Saima Trade Tower - A, Karachi not less than 48 hours before the time of meeting.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy holder shall be furnished with the proxy form.
3. The proxy holder shall produce his/her original CNIC or Original Passport at the time of meeting.
4. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.





# پاکستان ہوٹلز ڈویلپرز لمیٹڈ پراکسی فارم

میں / ہم \_\_\_\_\_ رہائش \_\_\_\_\_ (نام) \_\_\_\_\_ (جگہ)

پاکستان ہوٹلز ڈویلپرز لمیٹڈ کے ممبر ہونے کی حیثیت سے یہاں مقرر کرتے ہیں

\_\_\_\_\_ رہائش \_\_\_\_\_ (نام) \_\_\_\_\_ (جگہ)

کمپنی کا کوئی دوسرا ممبر بحیثیت میرے / ہمارے پراکسی کے کمپنی کی 39 ویں سالانہ اجلاس عام 26 اکتوبر 2018 کو سہ پہر 3:30 بجے رجسٹرڈ آفس 195/2 شارع فیصل کراچی میں شرکت، ووٹ ڈالنے اور میری جانب سے ہے اور ملتوی ہونے پر اس کے بعد:

دستخط اس \_\_\_\_\_ دن کے \_\_\_\_\_ 2018

ممبر کے دستخط

قائم مقام کے دستخط کا نمونہ

فولیو نمبر \_\_\_\_\_

فولیو نمبر \_\_\_\_\_

شریک کا آئی ڈی نمبر \_\_\_\_\_

شریک کا آئی ڈی نمبر \_\_\_\_\_

سب اکاؤنٹ نمبر \_\_\_\_\_

سب اکاؤنٹ نمبر \_\_\_\_\_

قومی شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

قومی شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

گواہ نمبر ۲

گواہ نمبر ۱

دستخط \_\_\_\_\_

دستخط \_\_\_\_\_

نام \_\_\_\_\_

نام \_\_\_\_\_

پتہ \_\_\_\_\_

پتہ \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر \_\_\_\_\_

ضروری:

۱- اس پراکسی فارم کو درست طریقے سے مکمل کر کے کمپنی کے سیکریٹری یا ہمارے آزاد شیئر رجسٹرار آفس میسرز ایف ڈی رجسٹرار سروس (ایس ایم سی

پرائیوٹ لمیٹڈ، 17 وین منزل، صائمہ ٹریڈ اور A، کراچی لازمی میٹنگ سے 48 گھنٹے قبل جمع کرائیں

۲- فائدہ اٹھانے والے مالکان اور پراکسی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کریں۔

۳- میٹنگ کے وقت پراکسی اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کریں۔

۴- کارپوریٹ وجود ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں گے۔



## بورڈ آف ڈائریکٹرز میں تبدیلی

یکم جولائی 2017 سے 30 جون 2018 تک بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی

### عملے کے فوائد

قانون کے مطابق ملازمین کی گریجوٹی اسکیم کو برقرار رکھا ہے اور اکاؤنٹ میں آئی اے ایس 19 کے مطابق موزوں فراہمی کی گئی ہے۔

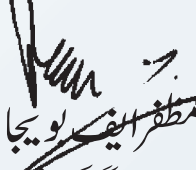
### آزاد شیئر رجسٹرار

میسرز ٹیکنالوجی ٹریڈ پرائیوٹ لمیٹڈ جنہوں نے اپنا کاروبار 31 دسمبر 2017 سے بند کر دیا ہے، ان کی جگہ بورڈ نے میسز ایف ڈی رجسٹرار سروسز (ایس ایم سی پرائیوٹ) لمیٹڈ کو یکم جنوری 2018 سے بطور کمپنی کا آزاد شیئر رجسٹرار مقرر کیا گیا ہے۔

### فنانشل سرخیاں

اہم مالیاتی معلومات کا خلاصہ رواں سال اور پچھلے پانچ سالوں کے فنانشل نتائج منسلک ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے اور ان کے لئے

  
مظفر ایف بی بی بی بی  
چیف ایگزیکٹو آفیسر

کراچی: 02<sup>nd</sup> اکتوبر 2018

ڈائریکٹرز مسرت کے ساتھ تصدیق کرتے ہیں کہ:

- (۱) کمپنی کی انتظامیہ فنانشل اسٹیٹمنٹس تیار کرتی ہے، جس میں کمپنی کے معاملات کی حقیقی اور صحیح نوعیت، اس کے کام کے نتائج، نقد رقم کا بہاؤ اور ایکونٹی میں تبدیلیوں کو پیش کرتی ہیں۔
- (۲) کمپنی کے اکاؤنٹس کی درست بکس کو پورا رکھا جاتا ہے۔
- (۳) موزوں اکاؤنٹنگ پالیسیوں کو فنانشل اسٹیٹمنٹ کی تیاری میں متواتر لاگو رکھتے اور اکاؤنٹنگ تخمینے جائز بنا دیا ہوتے ہیں اور کاروباری فیصلے عقلمندی سے کرتے ہیں۔
- (۴) انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی ایف آرسی) جس طرح پاکستان میں لاگو ہے، فنانشل اسٹیٹمنٹ کی تیاری میں اس پر عمل کیا جاتا ہے اور کسی چیز کے چھوڑ دینے پر اسے مناسب طریقے سے ظاہر اور واضح کیا جاتا ہے۔
- (۵) اندرونی کنٹرول کا نظام بناوٹ میں بہتر ہے اور اس پر عملدرآمد پراثر ہے اور اس کی نگرانی کی جاتی ہے۔
- (۶) جاری رہنے کے حوالے سے کمپنی کی صلاحیت پر کوئی خاص شکوک نہیں ہیں۔
- (۷) لسٹنگ قوانین میں تفصیلات کے مطابق کارپوریٹ گورننس کی بہترین کارکردگی سے کوئی مواد نہیں چھوڑا جاتا ہے۔
- (۸) واجب الادا ڈیوٹیڈ اور ٹیکس اگر کوئی ہیں تو وہ فنانشل اسٹیٹمنٹ میں ظاہر کیے گئے ہیں۔
- (۹) 30 جون 2018 کو شیئر رکھنے کا مخصوص نمونہ اس رپورٹ کے ساتھ لگایا گیا ہے۔
- (۱۰) سال کے دوران ایک ڈائریکٹر اور اس کے شریک حیات نے کمپنی کو شیئر کی تجارت کے بارے میں بتایا اور یہ معلومات پاکستان اسٹاک ایکسچینج اور کمیشن کو وقت پر فراہم کر دی گئی تھیں۔

## بورڈ میٹنگز

سال کے اختتام 30 جون 2018 کے دوران بورڈ آف ڈائریکٹرز کی سات (07) میٹنگز ہوئیں تھیں۔ میٹنگ کی حاضری درج ذیل ہے۔

میٹنگز کی تعداد

نام

حاضری	ڈائریکٹر شپ کے دوران سال کے دوران	نام
06	07	1- جناب منصور ایف، بوجا صاحب
07	07	2- جناب مظفر ایف بوجا صاحب
07	07	3- جناب زبیر بوجا صاحب
07	07	4- جناب الیس محمود بوجا صاحب
05	07	5- جناب محسن بوجا صاحب
06	07	6- جناب مسرور ایف بوجا صاحب
05	07	7- جناب ظہیر بوجا صاحب
04	07	8- محترمہ شیریں احمد صاحبہ
04	07	9- جناب ایم اے مجید صاحب

## آڈیٹروں کی تقرری

ریٹائر ہونے والے آڈیٹرز میسرز تنویر عارف اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس جو کہ اہل ہیں انہوں نے اپنے لئے سال 2018-2019 میں دوبارہ تقرری کی پیشکش کی ہے۔ کمپنی کے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے انکی تصدیق کی ہے اور آنے والی سالانہ اجلاس عام میں ان کی تقرری کے لئے غور کیا جائے گا۔ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام (Review Program) کے تحت بیرونی آڈیٹرز نے اطمینان بخش ریٹنگ دی ہے۔

## بورڈ میٹنگ فیس

سال کے دوران ایک ڈائریکٹر کو بورڈ میٹنگ فیس کی مد میں 60 ہزار روپے دیئے گئے تھے۔

## آڈٹ کمیٹی

کمیٹی تین ممبران پر مشتمل ہے، جن میں سے دو نان۔ ایگزیکٹو ڈائریکٹرز اور ایک آزاد ڈائریکٹر ہے۔ (جو کہ 23 فروری، 2016 کی بورڈ میٹنگ میں دوبارہ بنائی گئی تھی)۔

جناب ایم۔ اے۔ مجید - آزاد ڈائریکٹر

جناب ایس۔ محمود بویجا - نان۔ ایگزیکٹو ڈائریکٹر

جناب محسن بویجا - نان۔ ایگزیکٹو ڈائریکٹر

آڈٹ کمیٹی فنانشل اسٹیٹمنٹ بورڈ میں جمع کرانے اور شائع کرنے سے پہلے اس کا سہ ماہی، ششماہی اور سالانہ جائزہ لیتی ہے۔

کمیٹی اندرونی آڈٹ کے کام کے ساتھ ساتھ بیرونی فنانشل رپورٹنگ کی نگرانی کی ذمہ دار ہے۔ وہ ہمہ وقت اندرونی کنٹرول کا جائزہ بھی لیتی رہتی ہے۔

## آڈٹ کمیٹی میٹنگز میں ممبران کی حاضری

مالی سال 2018 کے دوران، آڈٹ کمیٹی کی چار میٹنگز ہوئیں تھیں اور میٹنگز میں ہر ممبر کی شرکت کرنے والوں کی تعداد یہاں دی گئی ہے۔

نام	میٹنگ کی تعداد	حاضری
1- جناب ایم۔ اے۔ مجید صاحب	04	04
2- جناب ایس۔ محمود بویجا صاحب	04	04
3- جناب محسن بویجا صاحب	04	04

## ضابطہ کار پورٹیٹ گورننس

ضابطہ برائے کار پورٹیٹ گورننس کے تحت آپ کی کمپنی کے ڈائریکٹرز اپنی ذمہ داریوں سے باخبر ہیں، جو سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کی ہدایات کے تحت پاکستان اسٹاک ایکسچینج کی لسٹنگ رولز میں شامل ہیں۔ آپ کی کمپنی اچھی کار پورٹیٹ گورننس کو یقینی بنانے کے لئے تمام ضروری اقدامات اٹھائے گی اور ضابطے کی تعمیل کرے گی۔

# ڈائریکٹرز رپورٹ

پاکستان ہوٹلز ڈویلپرز لمیٹڈ کے ڈائریکٹرز مسرت کے ساتھ سالانہ رپورٹ بمعہ کمپنی آڈٹ شدہ رپورٹ سال کے اختتام 30 جون، 2018 پیش کرتے ہیں۔

اکاؤنٹس:

(روپے '000)	(روپے '000)	
417,174		کل خالص آمدنی
	370,163	منہائی: براہ راست لاگت
<u>379,912</u>	<u>9,749</u>	دیگر نیجرل اور فنانشل اخراجات
37,262		
<u>49,224</u>		منہائی: واجبات فرسودگی (Statutory Depreciation)
11,962		ٹیکس سے پہلے نقصان
5,005		ٹیکسیشن: منہائی
<u>16,967</u>		ٹیکسیشن کے بعد نقصان
<u>0.94</u>		نقصان فی شیئر (روپوں)

الحمد للہ 14 اگست 2017 سے ہوٹل کو محدود کمروں کے ساتھ (کل گنجائش کا 50 فیصد) پچھلے سال ہوٹل میں آگ لگنے کے واقعے کی وجہ سے 9 ماہ کی کاروباری سرگرمیوں کی معطلی کے بعد دوبارہ شروع کیا گیا۔ کل آمدنی میں 417 ملین روپے کمائی اور اضافی اخراجات پر قابو پایا گیا۔ انشاء اللہ اگلے سال ہم مزید آمدنی کمائیں گے اور واپس منافع کی ڈگری پر آجائیں گے۔

نقصان ہونے کی وجہ سے بورڈ کے ڈائریکٹرز نے اپنے شیئر ہولڈرز کو کسی منافع (ڈیویڈنڈ) کی تجویز نہیں دی۔ سال کے دوران غیر ملکی زرمبادلہ 0.064 ملین امریکی ڈالر کمائے۔

## قرضے

کمپنی نے پچھلے سال بینک سے 100 ملین روپے کی رنگ فنانس فیسلٹی کی حد حاصل کی تھی اور موجودہ فنانشل سال کے اختتام پر حد کم ہو کر 81 ملین روپے پر ہے۔ ہم امید کرتے ہیں کہ انشاء اللہ اگلے مالی سال میں تمام رقوم کی ادائیگی کر دی جائے گی۔



## (الف) ... سالانہ اجلاس عام میں شرکت کے لئے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈ کی گئیں ہوں، میٹنگ میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ دیکھا کر کریں گے۔
- (ii) کارپوریٹ اینٹی ہونے کی صورت میں میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی، نامزد فرد کے دستخط کے نمونے کے ساتھ پیش کریں گے۔ (جب تک کہ پہلے فراہم نہیں کئے گئے ہیں)۔

## (ب) ... پراکسیز کی تقرری کے لئے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر / یا سب اکاؤنٹ ہولڈر اور / یا شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈ کی گئی ہوں، وہ اوپر دی گئیں ضرور کے مطابق پراکسی فارم جمع کرائیں گے۔
- (ii) پراکسی فارم کے دو اشخاص گواہ ہوں گے، جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- (iii) فائدہ اٹھانے والے مالکان اور پراکسی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرائیں گے۔
- (iv) اجلاس کے وقت پراکسی اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔
- (v) کارپوریٹ کی صورت میں کمپنی کو بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونہ دستخطوں کے ساتھ فارم جمع کرائیں (جب تک پہلے فراہم نہ کئے گئے ہوں)۔

# پاکستان ہوٹلز ڈیولپرز لمیٹڈ

## انتالیسواں سالانہ اجلاس عام کی اطلاع

- اطلاع دی جاتی ہے کہ پاکستان ہوٹلز ڈیولپرز لمیٹڈ کا انتالیسواں سالانہ اجلاس عام درج ذیل کاروباری امور کی انجام دہی کے لئے 26 اکتوبر 2018ء کو سہ پہر 3:30 بجے کمپنی کے رجسٹرڈ آفس واقع 195/2 ریجنٹ پلازہ ہوٹل، مین شاہراہ فیصل کراچی میں منعقد ہوگا۔
- 1- 30 اکتوبر 2017 کو ہونے والے 38 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔
  - 2- ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ سال کے اختتام 30 جون 2018 پر آڈٹ کئے گئے اکاؤنٹس کی وصولی، قبولیت اور غور و خوض۔
  - 3- سال 2019 کے لئے آڈیٹروں کی تقرری اور ان کا معاوضہ کا تعین۔
  - 4- چیئرمین کی اجازت کے ساتھ کوئی اور دیگر امور۔

بورڈ کے حکم سے

فہد اقبال خان

کمپنی سیکریٹری

کراچی

05<sup>th</sup> اکتوبر 2018ء

### اطلاعات :-

- 1- جو ممبر سالانہ اجلاس عام میں شرکت کرنے اور ووٹ ڈالنے کا حق رکھتا ہے وہی کسی دوسرے ممبر کو ممبر کی طرف سے شریک ہونے اور ووٹ ڈالنے کیلئے بطور پراکسی مقرر کرنے کا حقدار ہے۔ پراکسی فارم لازمی کمپنی کے سیکریٹری کے ساتھ یا آزاد شیئر رجسٹرار کے آفس میں میٹنگ سے 48 گھنٹے پہلے جمع ہوں۔
  - 2- 19 اکتوبر 2018 سے 26 اکتوبر 2018ء (بشمول دونوں دن) کمپنی کی شیئر ٹرانسفر بکس بند رہیں گے۔ ہر لحاظ سے مکمل ٹرانسفر ہمارے آزاد شیئر رجسٹرار آفس میسرز ایف ڈی رجسٹرار سروس (ایس ایم سی پرائیویٹ لمیٹڈ)، 17 ویں منزل، صائمہ ٹریڈ ٹاور۔ اے، کراچی میں 18 اکتوبر 2018 تک میٹنگ میں شرکت کے حق کے لئے وصول کریں اور وقت پر صحیح طریقے سے رکھا جائے گا۔
  - 3- شیئر ہولڈرز سے درخواست کی جاتی ہے کہ ان کے پتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کو مطلع کریں۔
  - 4- شیئر ہولڈرز سے یہ بھی درخواست ہے کہ اپنے قومی شناختی کارڈ نمبر (اگر غیر ملکی ہیں تو پاسپورٹ نمبر) سے مطلع کریں جو کہ ایس آر او 2003(1)49 تاریخ 15 جنوری 2003ء اور سرکلر نمبر 13/2004 مورخہ 5 مارچ 2004ء کے تحت ضروری ہے۔
- سی ڈی سی اکاؤنٹ رکھنے والے سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 تاریخ 26 جنوری 2000ء میں دی گئیں درج ذیل ہدایات پر عمل کریں۔





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