

PAKISTAN HOTELS DEVELOPERS LTD.

Owners & Operators of



Main Shahra-e-Faisal,

Karachi - Pakistan

Tel: +92-21-35657000

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E-mail: headoffice@rphcc.com

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www.phdl.com.pk



Condensed Interim

Financial Information

Six Months Period Ended

December 31, 2018

(Un-audited)

Vision / 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.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Non-executive Directors:

MR. S.MAHMOOD BAWEJA
Chairman
MRS. SHAHINA KHALID
Director

Executive Directors:

MR. MUZAFFAR F. BAWEJA
Chief Executive Officer
MR. ZUBAIR BAWEJA
Managing Director

Independent Directors:

MR. M.A. MAJEED
MR. IMRAN REHMAN MEMON
MR. JAWED AHMED

AUDIT COMMITTEE:

MR. JAWED AHMED
Chairman
MR. IMRAN REHMAN MEMON
Member
MR. M.A.MAJEED
Member

HR & R COMMITTEE:

MRS. SHAHINA KHALID
Chairman
MR. JAWED AHMED
Member
MR. M.A. MAJEED
Member

COMPANY SECRETARY:

MR. 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.) Ltd.
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' REPORT

The Board of Directors of Pakistan Hotels Developers Ltd, is pleased to present the unaudited condensed interim financial information of the company for the half year ended December 31, 2018 along with review report of the statutory auditors.

AL-Hamdo Lillah after 2 years, company back on profit track although 100% revenue generated areas are still not in operation as were before the sad fire incident in December, 2016. Hard working by the management of the company, achieved a profitable result.

Financial results for the six months period are summarized as follows

For the six-months period ended December 31st

2018 2017
----- (Rupees in '000) -----

Sales and services-net	266,017	184,770
Gross Profit	154,417	101,470
Profit / (Loss) before Taxation	66,616	(18,456)
Profit / (Loss) after Taxation	51,784	(15,142)
Earning / (Loss) per share (Rupees)	2.88	(0.84)

Revenue increased by Rs. 81 million which is 44% high as compared to same period of last year. net profit after tax provision is Rs. 51.784 million which shows a healthy sign of company performance.

Running finance facility of Rs. 100 million pay-off as on reporting date, which was taken by the company 20 months back to overcome the situation arisen due to the fire incident.

During the period under review, revaluation of property (Land & Building) carried out by an independent valuer on 1st November, 2018 and the surplus arised on it, taken in financial statements.

Directors have not declared any interim dividend for the period ended December, 31, 2018

Matters with the fire victims' have been settled, and the cases in court are at final stage for the judgment.

Work are in process to lineup the remaining revenue generated areas which were affected in fire incident.

During the reporting period election of directors held, and 7 directors elected out of which one female director and three are independent directors.

After Election of Directors, Board of director approved, new formation of Audit Committee and HR & R Committee.

The Board of Directors wishes to express their appreciation to the entire team of the company, the esteemed guests, the valuable shareholders, banks as well as all other stake holders for their confidence and support in such difficult time.

For and on behalf of the Board of Directors


MUZAFFAR F. Baweja

Chief Executive

Karachi: 25th February, 2019

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ڈائریکٹرز رپورٹ

پاکستان ہوٹلز ڈویلپرز لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2018 کے اختتام پر کمپنی کی نصف سالانہ بلاؤٹ شدہ جامع عبوری مالیاتی معلومات قانونی آڈیٹرز کی جائزہ رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس ہوتی ہے۔

الحمد للہ دو سال گزرنے کے بعد کمپنی واپس منافع بخش ٹریک پر گامزن ہو چکی ہے۔ جبکہ 100% آمدنی پیدا کرنے والے حصہ ابھی تک آپریشن میں نہیں آئے ہیں جیسے کہ دسمبر 2016 کی اس افسوسناک آتشزدگی کے حادثہ سے پہلے ہوئے آپریشن چل رہا تھا۔ کمپنی کی انتظامیہ نے اپنی پوری محنت اور لگن سے کمپنی کو منافع بخش نتائج حاصل کرنے میں معاون کردار ادا کیا۔

زیر نظر چھ ماہ کے عرصے کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

پہلے چھ ماہ کے اختتام برائے 31 دسمبر

2018 2017
----- روپیہ میں 000 -----

184,770	266,017
101,470	154,417
(18,456)	66,616
(15,142)	51,784
(0.84)	2.88

فروخت اور خدمات

مجموعی منافع

منافع / (نقصان) قبل از ٹیکس

منافع / (نقصان) بعد از ٹیکس

کمائی / (نقصان) فی حصص (روپیہ)

آمدنی میں Rs. 81 ملین کا اضافہ ہوا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 44 فیصد زیادہ ہے جس کی فراہمیکے بعد منافع Rs. 51.784 ملین ہے جس میں کمپنی کی کارکردگی کی ایک نشاندہی ظاہر ہوتی ہے۔

Rs. 100 ملین کی running ٹیکس سہولت اسی رپورٹ کے اختتام میں کمپنی کی جانب سے پے آف کر دی گئی ہے جو کہ یہ سہولت 20 ماہ قبل آتشزدگی کے نقصان سے نئے کے لیے حاصل کی گئی تھی۔

جائزے کے تحت اس مدت کے دوران جائیداد کی بحالی (زمین اور بلڈنگ) کی ایک آزاد valuer سے 1 نومبر 2018 کو revaluation کروائی گئی اضافی رقم اسی مالیاتی رپورٹ میں لے لیے گئے۔

31 دسمبر 2018 کو ختم ہونے والے عرصے کے دوران ڈائریکٹرز نے کسی بھی عبوری منافع کا اعلان نہیں کیا ہے۔

آتشزدگی سے متاثر افراد کے ساتھ معاملات طے پائے جا چکے ہیں اور عدالتی مقدمات فیصلے کے آخری مرحلے میں ہیں۔

ہوٹل کے باقی آمدنی پیدا کرنے والے حصوں کا تعمیراتی کام مکمل کیا جا رہا ہے جو کہ آتشزدگی میں متاثر ہوئے تھے۔

اس رپورٹ کے دوران ڈائریکٹرز کے انتخابات کا انعقاد کیا گیا اور 7 ڈائریکٹرز منتخب کیے گئے جس میں ایک خاتون ڈائریکٹر اور 3 آزاد ڈائریکٹرز منتخب کئے گئے۔

ڈائریکٹرز کے انتخابات کے بعد بورڈ آف ڈائریکٹرز کی منظوری سے نئی آڈٹ کمیٹی اور HR&R کمیٹی تشکیل دی گئی۔

بورڈ آف ڈائریکٹرز کمپنی کی تمام ٹیم، مجتہد مہمانان گرامی قابل قدر شہر ہوٹلڈاز، بینکوں اور ان کے ساتھ ساتھ تمام متعلقین کا اس مشکل گھڑی میں اعتماد اور تعاون کرنے پر انہیں سہراتے ہیں

منجانب بورڈ آف ڈائریکٹرز



مظفر ایف بوجا

چیف ایگزیکٹو

کراچی: 25 فروری 2019

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AUDITOR'S REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Hotels Developers Limited** (the Company) as at December 31, 2018, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six- months' period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2018 and 2017 have not been reviewed as we are required to review only the cumulative figures for six months period ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



TANWIR ARIF & CO.
Chartered Accountants.

Hyderabad: 25th February, 2019

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Pakistan Hotels Developers Ltd.

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

	Un-audited DEC. 2018 ----- (Rupees in '000) -----	Audited JUN. 2018
CAPITAL AND LIABILITIES:		
Share capital Authorized		
30,000,000 Ordinary Shares of Rs. 10/= each	<u>300,000</u>	<u>300,000</u>
Issued, subscribed & paid-up		
18,000,000 Ordinary Shares of Rs. 10/= each	<u>180,000</u>	<u>180,000</u>
Capital reserve		
Surplus on revaluation of fixed assets	<u>9,089,136</u>	<u>4,391,280</u>
Revenue reserve		
Unappropriated profit	<u>132,773</u>	<u>69,840</u>
	<u>9,401,909</u>	<u>4,641,120</u>
Liabilities against assets subject to finance lease	<u>5,299</u>	<u>6,907</u>
Deferred taxation	<u>273,974</u>	<u>212,320</u>
Security deposits	<u>4,180</u>	<u>4,180</u>
Current liabilities		
Current maturity	<u>3,539</u>	<u>4,612</u>
Accrued mark up	<u>356</u>	<u>740</u>
Short term borrowings	<u>20,182</u>	<u>81,440</u>
Unpaid dividend	<u>14,125</u>	<u>14,125</u>
Unclaimed dividend	<u>10,251</u>	<u>10,251</u>
Creditors, accrued and other liabilities	<u>70,915</u>	<u>41,955</u>
	<u>119,368</u>	<u>153,123</u>
Contingencies and commitments	<u>—</u>	<u>—</u>
	<u>9,804,730</u>	<u>5,017,650</u>

"The annexed notes 1 to 10 form an integral part of these financial statements"
"See Auditors' Review Report"

Karachi: 25th February, 2019

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	Un-audited DEC. 2018 ----- (Rupees in '000) -----	Audited JUNE. 2018
ASSETS:		
Non-current assets		
Fixed assets	<u>9,654,398</u>	<u>4,900,613</u>
Long term deposits	<u>6,080</u>	<u>6,080</u>
Current assets:		
Stores and spares	<u>1,217</u>	<u>1,219</u>
Stock in trade - food and beverages	<u>454</u>	<u>52</u>
Trade debts un-secured considered good	<u>75,906</u>	<u>34,018</u>
Advances, prepayments and other receivables	<u>28,935</u>	<u>29,053</u>
Cash and bank balances	<u>37,740</u>	<u>46,615</u>
	<u>144,252</u>	<u>110,957</u>
	<u>9,804,730</u>	<u>5,017,650</u>


MUZAFFAR F. BAWEJA
Chief Executive
Karachi: 25th February, 2019


S. MAHMOOD BAWEJA
Director


SYED HASEEN ANWER
Chief Financial Officer

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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2018

	Three months ended December 31		Six months ended December 31	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Turnover	196,634	146,940	303,586	210,193
Sales tax and other taxes	(24,139)	(18,129)	(37,569)	(25,423)
Sales and services-net	172,495	128,811	266,017	184,770
Cost of sales and services	(59,850)	(53,344)	(111,600)	(83,300)
Gross Profit	112,645	75,467	154,417	101,470
Operating expenses				
Administrative, selling and general expenses	(41,787)	(61,267)	(84,660)	(115,362)
Other operating income	290	186	415	423
Operating Profit / (loss)	71,148	14,386	70,172	(13,469)
Financial charges	(1,404)	(2,514)	(3,556)	(4,987)
Net profit / (loss) before taxation	69,744	11,872	66,616	(18,456)
Taxation				
Current	(17,000)	—	(20,000)	—
Prior year	390	(1,156)	390	(1,156)
Deferred	2,654	2,235	4,778	4,470
	(13,956)	1,079	(14,832)	3,314
Net profit / (loss) after taxation	55,788	12,951	51,784	(15,142)
Earning / (loss) per share				
- Basic (Rupees)	3.10	0.72	2.88	(0.84)
- Diluted (Rupees)	3.10	0.72	2.88	(0.84)

"The annexed notes 1 to 10 form an integral part of these financial statements"

"See Auditors' Review Report"



MUZAFFAR F. BAWEJA
Chief Executive

Karachi: 25th February, 2019



S. MAHMOOD BAWEJA
Director

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SYED HASEEN ANWER
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX -MONTHS PERIOD ENDED DECEMBER 31, 2018

THREE-MONTHS ENDED December 31,		SIX-MONTHS ENDED December 31,	
2018	2017	2018	2017

----- (Rupees in '000)-----

Net profit / (loss) after taxation	55,788	12,951	51,784	(15,142)
Effect of remeasurement of Plan obligation	—	—	—	—
Total comprehensive income /(loss)	<u>55,788</u>	<u>12,951</u>	<u>51,784</u>	<u>(15,142)</u>

"The annexed notes 1 to 10 form an integral part of these financial statements"
 "See Auditors' Review Report"



MUZAFFAR F. BAWEJA
 Chief Executive
 Karachi: 25th February, 2019



S. MAHMOOD BAWEJA
 Director

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SYED HASEEN ANWER
 Chief Financial Officer

Six-Months Ended December 2018

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2018

	2018 Notes -----(Rupees in '000)-----	2017
Cash flow from operating activities:		
Net profit / (loss) before taxation	66,616	(18,456)
Adjustments for non cash items and other items		
Depreciation	24,925	24,490
Financial charges of lease assets	509	589
	25,434	25,079
	92,050	6,623
(Increase)/decrease in operating assets		
Stores and spares	2	301
Stock in trade - food and beverages	(402)	(795)
Trade debts	(41,888)	(57,919)
Advances, prepayments & other receivables	12,560	30,267
	(29,728)	(28,146)
Increase/(decrease) in operating liabilities:	62,322	(21,523)
Creditors and accrued liabilities	6,793	16,953
Cash generated from operations	69,115	(4,570)
Income tax paid	(12,052)	(1,156)
	57,063	(5,726)
Cash flow from investing activities		
Acquisition of fixed assets	(166)	(7,229)
Capital work-in-progress	(3,107)	(20,413)
Long term deposits	—	—
Net cash from investing activities	(3,273)	(27,642)
Cash flow from financing activities:		
Dividends Paid	—	—
Repayment of finance lease	(2,288)	(2,274)
Long term advances and deposits	(902)	(3,956)
Short term borrowings	—	(2,500)
Accrued markup	(384)	(27)
Net cash used in financing activities	(3,574)	(8,757)
Net decrease in cash and cash equivalent	50,216	(42,125)
Cash and cash equivalent at July 01	(40,247)	(25,927)
Cash and cash equivalent at December 31	9,969	(68,052)

"The annexed notes 1 to 10 form an integral part of these financial statements"

"See Auditor's Review Report"

MUZAFFAR F. BAWEJA

Chief Executive

Karachi: 25th February, 2019

S. MAHMOOD BAWEJA

Director

SYED HASEEN ANWER

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Share Capital	Capital reserve	Revenue reserve	Total
		Revaluation surplus on property (Land and Building)	Unappro- priated profit	
	(Rupees in '000)			
Balance as at June 30, 2017 as - previously reported	180,000	—	68,059	248,059
Impact of restatement	—	4,412,147	—	4,412,147
Balance as at June 30, 2017 as - restated	180,000	4,412,147	68,059	4,660,206
Transferred from Surplus on revaluation of fixed assets (net of tax)	—	(10,434)	10,434	—
Total comprehensive loss for the six-months period ended December 31, 2017	—	—	(15,142)	(15,142)
Balance as at December 31, 2017	180,000	4,401,713	63,351	4,645,064
Balance as at June 30, 2018	180,000	4,391,280	69,840	4,641,120
Revaluation carried out on November 1, 2018 (Net of tax)	—	4,709,005	—	4,709,005
Transferred from Surplus on revaluation of fixed assets (net of tax)	—	(11,149)	11,149	—
Total comprehensive income for the six-months period ended December 31, 2018	—	—	51,784	51,784
Balance as at December 31, 2018	180,000	9,089,136	132,773	9,401,909

"The annexed notes 1 to 10 form an integral part of these financial statements"



MUZAFFAR F. BAWEJA

Chief Executive

Karachi: 25th February, 2019



S. MAHMOOD BAWEJA

Director



SYED HASEEN ANWER

Chief Financial Officer

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2018

1) The Company and its operations

Pakistan Hotels Developers Limited was incorporated and domiciled in 1979 at Karachi, Pakistan under the Companies Act, 1913 (now the 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) Basis of preparation of accounts

This condensed interim financial statements is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Cod of Corporate Governance.

This condensed interim financial statements comprises the condensed interim financial position of the Company as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

This condensed interim financial statements of the Company for the six month period ended December 31, 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017, In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements does not include all of the information required for full annual financial statement and should be read in conjunction with the annual financial statement for the year ended June 30, 2018.

Comparative financial position numbers are extracted from the annual financial statement of the Company from the year ended June 30, 2018, whereas comparative statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited Condensed interim financial statements of the Company for the six months period ended December 31, 2017

- 3) The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018.
- 4) During the period Leasehold land and building on leasehold land were revalued on 1st November, 2018 by M/s Sardar Enterprises (an Independent Valuer) resulting an increase over book value of Rs.4,554 million and Rs. 221.436 million were added to the value of leasehold land and building on leasehold land respectively. Forced sale value of which were Rs.7,722 million and Rs. 832.388 million respectively.

5) Additions to the fixed assets during the period was Rs.0.166 million (2017:Rs.7.229 million). The cost of assets disposed off during the period was Rs. NIL (2017: Rs. NIL). Addition in capital work in progress Rs.3.107 million (2017: Rs. 20.413 million.)

6) There is no significant change in contingent liabilities of the company since last annual balance sheet date.

7) Cash and cash equivalent		31-12-2018	31-12-2017
		----- (Rupees in '000)-----	
Cash and bank balances		37,740	39,069
Short term running finance - summit bank		(20,182)	(98,235)
Bank overdrafts - faysal bank	7.1	(7,589)	(8,886)
		<u>9,969</u>	<u>(68,052)</u>

7.1 These are included in creditors, accrued and other liabilities and represent the balance as per books without any corresponding facility from the bank.

8) Directors have not declared any entitlements to the shareholders for the current period (2017: Rs. NIL) in their meeting held on 25th February, 2019.

8) Figures have been rounded off to the nearest thousand rupees.

10) These condensed interim financial statement was authorized for issue by the Board of Directors of the Company in their meeting held on 25th February, 2019.



MUZAFFAR F. BAWEJA
Chief Executive
Karachi: 25th February, 2019



S. MAHMOOD BAWEJA
Director
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SYED HASEEN ANWER
Chief Financial Officer