

41st
*Annual
Report*
2020

PHDL
PAKISTAN HOTELS DEVELOPERS LIMITED





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. S. Mahmood Baweja Chairman
Mrs. Shahina Khalid Director

Executive Directors

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

Independent Director

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 Chairperson
Mr. Jawed Ahmed Member
Mr. M.A. Majeed Member

Company Secretary:

M. Taha Ali Khan

Chief Financial Officer:

Syed Haseen Anwer

Bankers:

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

Auditors:

Tanwir Arif & Co.
Chartered Accountants

Legal Advisor:

Mukesh K. Sharma

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



S. Mahmood Baweja
Chairman

Mr. S. Mahmood Baweja 59 Years old recently appointed as Chairman of the Company after election of Directors held in December, 2018. He has 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.



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, an entrepreneur in hospitality industry, has a very rich and 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, Food & Beverages (F&B) at Holiday Inn Crown Plaza Karachi, where in a short span of around 2 years, he proved his mettle and got elevated to take on further responsibility of a coveted appointment 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 with a vision for future.

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

He keeps himself abreast and up-to-date about latest developments and International Good Practices of Hospitality & Tourism industry by attending various seminars / webinars on regular basis and has also done number of courses in hospitality management operations from various leading institutes, recognized globally.

His passionate efforts with dedication and devotion, for promotion of Hospitality & Tourism Industry and meritorious services to the business community of Pakistan as a Vice President of FPCCI has been duly acknowledged at National level. He was awarded with, Achievement Award by President of Pakistan.



M. A. Majeed
Independent 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.



Jawed Ahmed
Independent Director

Mr. Javed Ahmed, an electronic and electrical engineer by profession, is an industry veteran in project management. In the earlier part of his career with Siemens Pakistan, as project manager and later as project director, he had been engaged with planning, installation and commissioning of electrical systems at various prestigious projects including many four/five star hotels and hospitals in Pakistan. Later, Mr. Ahmed headed IT-Telecom network companies CITA and Orange Pakistan, as Chief Executive Officer. After his illustrious career in Electronics, Telecom and IT, spanned over 37 years, Mr. Ahmed progressed into entrepreneurship as founder and CEO of Eastech Pakistan (Pvt) Ltd., a consultancy firm rendering engineering solutions and projects management. His induction on the Board as an independent director, thus, adds up to PHDL's diversified management strengths.



Imran Rehman Memon
Independent Director

Mr. Imran Memon is a prominent businessman and a successful entrepreneur from pharmaceutical sector in Pakistan. With his multiple Master's in business and finance from University of Houston, Mr. Memon has been running his family owned business, Alina Combine Pharmaceuticals (Pvt) Ltd., since 2001 and has since amassed rich experience in industrial management, business development, finance and administration. His key skills include negotiating and executing international contracts and licensing agreements. His induction in PHDL as an independent director adds valuable diversity to company's corporate horizon.

Notice of 41st Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting of **PAKISTAN HOTELS DEVELOPERS LIMITED** will be held on 27th of October, 2020 at 04:30 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 40th Annual General Meeting held on 28th October, 2019.
2. To receive, consider and adopt the Audited Financial Statements for the year ended June 30th, 2020, together with the Directors' and Auditors' reports thereon.
3. To appoint the Auditors for the year ending June 30, 2021 and to fix their remuneration. The Board of Directors have recommended for appointment of M/s. Clarkson Hyde Saud Ansari, Chartered Accountants who have consented to act as Auditors in place of retiring Auditors M/s. Tanwir Arif & Co., who stands retired after completion of five (5) consecutive years.
4. Any other business with the permission of the Chair.

By order of the Board

(M. TAHA ALI KHAN)
Company Secretary

Karachi: October 6th, 2020

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 20th October, 2020 to 27th October, 2020 (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 19th October, 2020 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.

Chairman Review Report

I am pleased to present my review in accordance with the section 192(4) Companies Act, 2017 on overall performance of the Board and effectiveness of the role played by the Board in achieving company's objectives during the financial year ended June 30, 2020.

The composition of the Board is given below

- Independent Directors : 03
- Executive Directors : 02
- Other Non- Executive Directors : 02

In order to ensure strengthen internal Control of the company and as per Code of Corporate Governance 2019, the Board has made sub-committees which in my opinion have significantly contributed in steering and managing the company. These committees ensure due compliance code of corporate governance and include:


- Audit Committee.
- Human Resource and Remuneration Committee.

The world is struggling with unprecedented pandemic COVID-19 situation which did not leave any single country and the human had not witnessed such catastrophe in the recent century. The pandemic has affected the economic development significantly worldwide and also resulted in collapse of best health systems of the developed countries. The hospitality, tourism and travel industries have been most effected and severely impacted by the rapid spread of this virus.

The Board has played a vital role to cope with this tough and unpredicted situation created due to said virus and they had been informed all the important things related to the operational matters by the management and independent and Non-Executive Directors are equally involved in important decisions throughout the year.

On behalf of the Board, I once again express my sincere appreciation to our customers, employees, suppliers, the Government and all other stakeholders, who have supported the Company. As they say tough times don't last forever, tough people do. I am confident that we will get past this crisis and re-emerge stronger for having overcome one of the gravest crises of our lives. Please do look after yourselves and your families.

Karachi: September 30th, 2020



S. MAHMOOD BAWEJA
Chairman

Directors' Report

On behalf of the Board of Directors of **PAKISTAN HOTELS DEVELOPERS LIMITED**, it is our pleasure in presenting to you the Annual Report together with the Audited Financial Statements for the year ended June 30, 2020. The impact of macroeconomic adjustment policies, such as monetary tightening, exchange rate adjustment, expenditure control and enhancement of regulatory duties on non-essential imports, started to become visible this year. These steps have served to bring some degree of stability and have also helped in reducing economic uncertainty. But unpredictable situation arises due to COVID-19 outbreak all over the world economy badly effected specially Airline and Hotel Industries and our country also suffered the same situation and resulted negative GDP. Growth.

COVID-19 and Related Measures

Given the developing situation of the coronavirus in Pakistan from February 26, 2020 our company established a pandemic watch committee to monitor the situation closely. The committee and management team reviewed the situation carefully and implemented necessary controls to minimize the impact of COVID-19 on employee and their families and the business.

State of Company's Affairs

The Financial Year 2019-20 was not good for the company in terms of business due to COVID-19 outbreak (Pandemic Decease) and locked down in the city negatively impacted the business and almost 3½ month no business activity in the hotel and company got revenue loss in the year 2019-20, compared to last year.

Financial Performance

Salient features of Company's financial performance for the year under report vis-à-vis last year are as under:

Particulars	2019-20	2018-19	Change
	Rupees in '000		
Gross Revenue	372,675	548,981	(176,306)
Net Revenue	326,721	480,539	(153,818)
Gross Profit	117,847	252,219	(134,372)
Operating (Loss) / Profit	(8,711)	59,869	(68,580)
EBITDA	46,988	113,338	(66,350)
Net Profit	442	28,013	(27,571)
EPS (Rupees)	0.02	1.56	(1.54)

Revenue

During the fiscal year 2019-20 under review, your Company earned gross sales revenue Rs.373 million which declined by 32.11% as compared to last year. This was mainly due to low occupancy and related food and beverage sales.

Cost of sales and services

During the fiscal year 2019-20 under review, cost of sales and services of your Company decreased by 8.52% as compared to last year. This decrease was mainly on account of decline in revenue and also by tightening control on expenses.

Gross profit

Your Company achieved a gross profit margin of 36.06% for the fiscal year under review as compared to 52.49% reported last year.

Net Profit

During the year company earned after tax profit Rs.0.442 million. Net profit decreased mainly by the unpredictable economic situation arises due to COVID-19 outbreak in the world and in Pakistan which badly impacted the hotel business.

Earnings per share

Earnings per share is Rs. 0.02.

Revaluation of Property

During the year on the instruction of the board, revaluation is carried out of leasehold land and Farm House on Leasehold land at Ghara by an independent valuer resulting an increase over book values of Rs.2.351 Million and Rs.5.586 Million were added to the value of leasehold land and Farm House on leasehold land at Ghara respectively.

Entitlement to Share Holders

The Board of directors has not recommended any entitlement to their shareholders for the financial year 2020.

Directors Remuneration

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of Directors in accordance with the Companies Act, 2017 and CCG. No fees paid during the year 2019 - 20 to directors for attending the Board meeting.

Appropriate disclosure of remuneration paid during the year to Directors and Chief Executive has been provided in Note 32 to the Financial Statements.

Related Party Transaction

The company has executed all transaction with its related parties at an arm's length price except where it has been disclosed in the financial statements. The details of all party transactions were placed before the Audit committee and upon its recommendations the same were approved by the Board of Directors.

Contribution to National Exchequer

The Company in the year under review contributed an amount of Rs.55.483 million as to Provincial and Federal governments in the form of general sales tax, income tax and other levies

Capital Expenditure

During the year we expends Rs.4.4 Millions in fire safety equipment. The amount is included in Capital Work in Process and the total balance with respect to this is Rs.49.628 Million. Further the total estimated cost of the project is Rs.60 Million approximately.

Also we purchased of Rs.16.624 million of PABX System, Boiler, Furniture and Fixture during the year.

Principal Risks and Uncertainties

COVID - 19 outbreak (Pandemic disease) badly affected the hotel business in the world as well as in Pakistan and uncertainties arises. AL-Hamdo Lillah Pakistan has achieved success to control the Corona Virus disease and hope the situation will be normalize by the end of prevailing calendar Year.

It seems the future of hospitality industry in Pakistan is going to bloom more in coming years due to improvement in law and order situation, initiatives of new Government, CPEC developments and arrival of more international and domestic tourists in Pakistan.

However recent tension in Indian border will may effect tourism industry badly. Further we are still in rehabilitation process after the fire incident, it will still takes some time to back on our foot print.

The Company's overall risk management program focuses on minimizing potential adverse effects on its performance. This is carried out by the Company's senior management team and the results are shared with the Board of Directors. The key risks currently being faced by the Company include increasing cost of doing business due to devaluation of the Pakistani rupee and continued inflation.

Trends and Factors

The economic challenges facing in the country are anticipated to maintain an upward pressure on inflation and interest rates and also keeping the rupee under stress, which is expected to adversely impact the business and investment climate. Following the recent bailout package by IMF, the austerity measures in fiscal and economic policies could pose a challenge for growth momentum. However, the currently underway China Pakistan Economic Corridor (CPEC) should boost the economy with increased power availability and infrastructure development project.

Future Outlook

We continue to have positive outlook on the long term growth of the business subject to COVID-19 situation. However we have reopened the hotel on 9th August 2020 with all precautions recommend by the authority and the response from our customers are reasonable and we are hoping that it will grow as the time past. The management remains fully committed towards managing these challenges including inflation and depreciation of rupee.

Adequacy of Internal Financial Controls

The Board of Directors have set up effective internal financial controls across all functions. The independent Internal Audit function of your Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the year and the date of this report.

Impact of Business on Environment

The Company while realizing its responsibility to protect the environment is organizing various internal workshops and seminars along with trainings of our employees on regular basis to impart environmental, saving water and energy education. We are also planted some green plants outside and inside areas of the Hotel which look pleasant to eyes and contribution towards to environment protection measures.

Corporate Social Responsibility

The Company recognizes its social responsibilities and also recognizes its obligation to continuously improve its processes, systems and services as a key member of the community. It is committed to contribute its resources for the better environment with an unprejudiced approach. Its safety, health and environmental policies are geared towards unbiased betterment of employees and stakeholders.

We have appointed different paid internees in different department of the company and after that they eligible for getting better jobs in their respective field. Further every year one or two employees has perform Hajj at expense of company. Due to COVID - 19 outbreak this year no Hajj performed by the employees although arrangement were completed.

The company is also willing to reduce to energy cost by installing equipment which helps us to minimize the cost without compromising the quality and also we give proper training and briefing to the staff for effective use of energy and in these ways we are contributing towards shortfall energy problem in Karachi.

For any successful organization, customer satisfaction and feedback are considered vital, therefore, we are regularly taken feedback from customer and try to improve our services on the basis of such remarks.

The Company has an open-door policy for recruitment of Special Persons. The Company continues to employ number of individuals at different department.

Human Resources

The Company maintained industrial peace and a positive and enabling work-environment for all employees in the organization by promoting candor and fairness. The Company continues its efforts on development of personnel at all levels, proactively building capabilities and retaining talent for business continuity. Employee engagement has been managed with robust policies and procedures. The Company has formulated a firm succession plan, which includes performance evaluation and appropriate training requirements for development of potential future leaders. The Company continued to enhance capabilities of employees by providing them development opportunities internationally as well.

Apart from above mentioned matter, further we confirm that following points.

- a) The financial statements have been drawn up in conformity with the requirements of the Companies Act, 2017 and fairly state of its affairs, operating results, cash flow and changes in equity.

- b) Proper books of accounts of the company have been maintained in the manner required under Companies Act, 2017.
- 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.
- e) The internal control system is being implemented and monitored.
- f) There are no significant doubts about 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 required by the listing regulations.
- h) The key operating and financial data for the current year and last five years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- j) The Chairman's Review dealing with the performance of the company during the year ended June 30, 2020, future prospects and other matters of concern to the company forms part of this report.
- k) The number of Board meetings held during the year 2019 - 20 was Four (04). The attendance of the directors is as under:

Name of Directors	Number of Meetings	
	Held During Directorship During the year	Attended
Mr. S.Mahmood Baweja	04	03
Mr. Muzaffar F.Baweja	04	04
Mr. Zubair Baweja	04	04
Mrs. Shahina Khalid	04	04
Mr. M.A. Majeed	04	04
Mr. Jawed Ahmed	04	03
Mr. Imran Rehman Memon	04	04

- l) Pattern of shareholding as at June 30, 2020 is annexed to this report.
- m) We confirm that directors and CFO and their spouse and minor children have made no transactions of the company's shares during the year, other than reported
- n) The statement of compliance with the Code of Corporate Governance is annexed to this report.
- o) The present Auditors M/s. Tanwir Arif & Co. Chartered Accountants, who stands retired and not eligible for reappointment. So Audit Committee and the Board have recommend M/s. Clarkson Hyde Saud Ansari, Chartered Accountants for the year 2020-21.
- p) No casual vacancy was occurred during the financial year in the Board.

For & on behalf of Board of Directors


ZUBAIR BAWEJA
Managing Director


MUZAFFAR F. BAWEJA
Chief Executive Officer

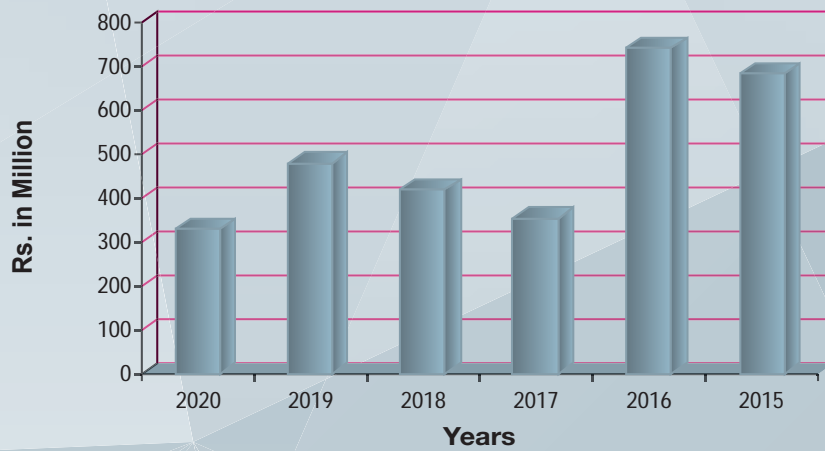
Karachi: September 30th, 2020

Financial Highlights

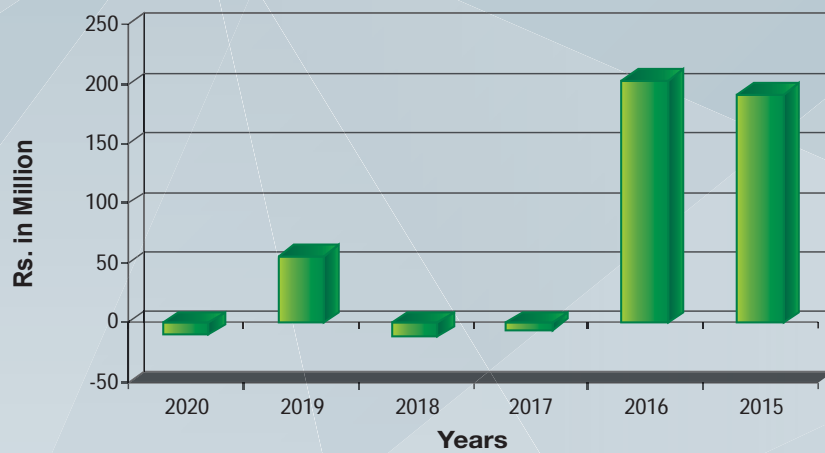
	2020	2019	2018	2017	2016	2015
	Rupees '000					
Sales and services - Net	326,721	480,539	416,798	349,968	740,512	681,889
Profit / (loss) before tax	(9,793)	55,634	(11,962)	(6,322)	203,057	191,043
Finance cost	1,082	4,235	9,749	3,154	324	4,440
PBIT	(8,711)	59,869	(2,213)	(3,168)	203,381	195,483
Profit / (loss) after tax	442	28,013	(16,967)	(10,917)	133,246	140,560
Financial position						
Current assets	106,197	95,498	119,464	132,079	155,462	201,406
Less: Current liabilities	93,381	99,994	161,630	152,867	86,135	76,738
Net working capital	12,816	(4,496)	(42,166)	(20,788)	69,327	124,668
Fixed assets - net	9,607,906	9,637,494	4,900,613	4,920,787	4,955,950	4,287,788
Other non-current assets	6,080	6,080	6,080	6,080	5,310	5,310
TOTAL	9,626,802	9,639,078	4,864,527	4,906,079	5,030,587	4,417,766
Other non-current liabilities	256,865	276,825	223,407	245,873	269,588	229,560
Shareholders equity	9,369,937	9,362,253	4,641,120	4,660,206	4,760,999	4,188,206
Statistics						
Number of rooms	400	400	400	400	397	397
Room occupancy %	14.99	22.74	21.59	22.92	49.64	43.64
Number of employees	151	157	138	137	211	197
Earning / (loss) per share (Rs.)	0.02	1.56	(0.94)	(0.61)	7.4	7.81
Break up value per share (Rs.)	520.55	520.13	257.84	258.9	264.5	232.68
Market value per share (Rs.)	87	147	107.50	78.76	98.68	92.00
Dividend per share (Rs.)	—	1.00	—	—	11.00	8.00
Ratios						
ROCE (%)	(0.09)	0.64	(0.05)	(0.07)	4.27	4.67
ROA (%)	0.005	0.29	(0.35)	(0.22)	2.65	3.18
Current ratio	1.13	0.96	0.72	0.86	1.8	2.62
Net profit / (loss) margin (%)	0.13	5.83	(4.07)	(3.12)	17.99	20.61

Graphical Presentation

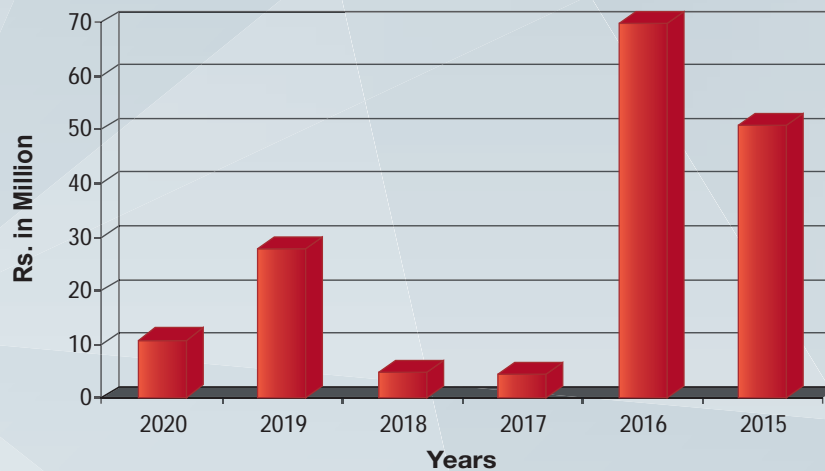
Sales & Services



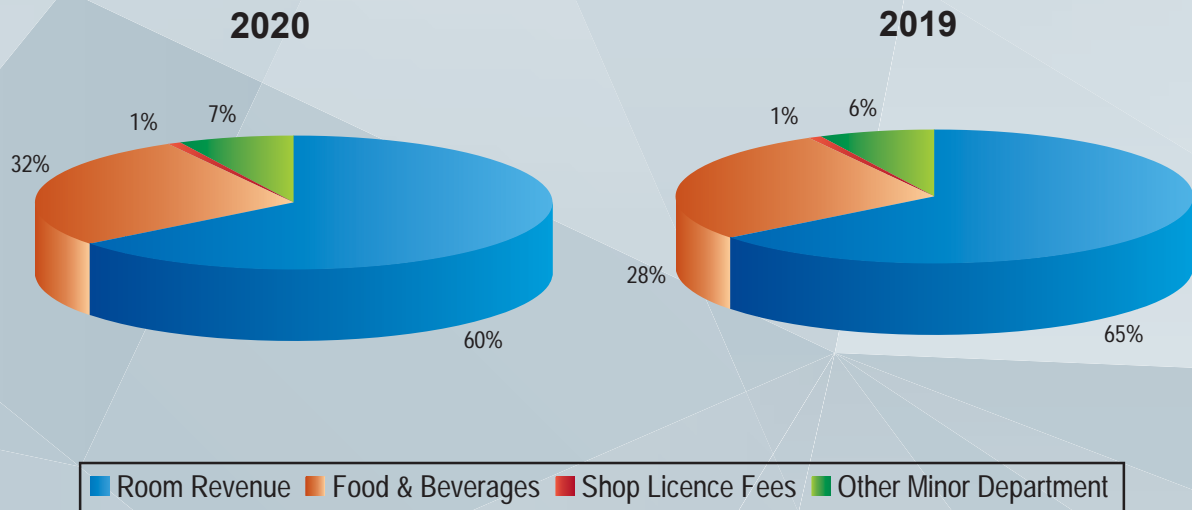
Profit before Tax



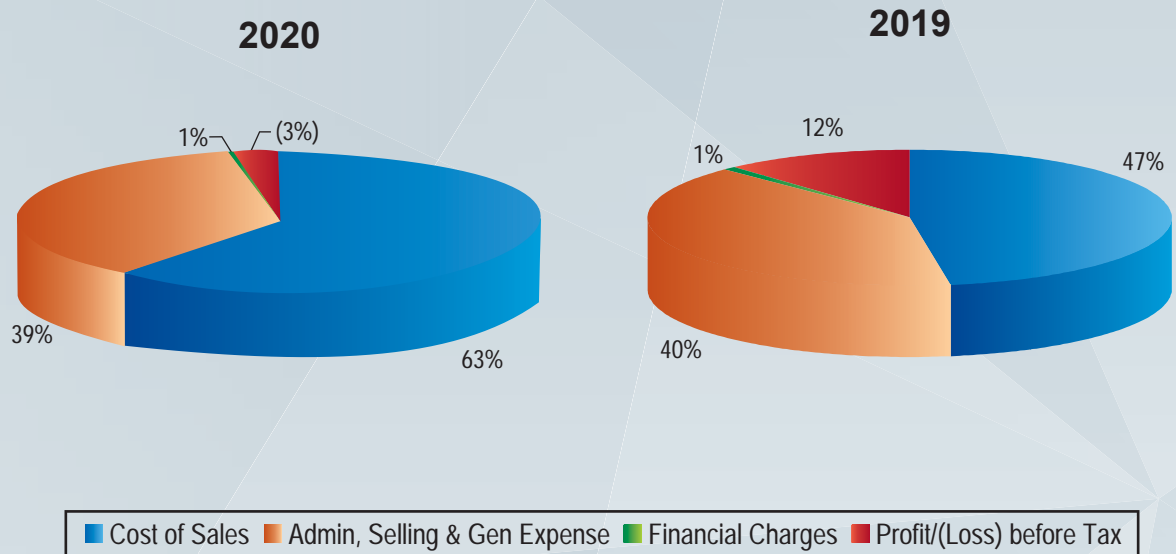
Tax on Profit



Department Revenue Contribution



Application of Revenue & Other Income



Statement of Compliance with the Code of Corporate Governance 2019 for the year ended June 30, 2020

Pakistan Hotels Developers Limited ("The Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner.

- The total number of directors are seven as per the following.

- Male : Six
- Female : One

- The composition of the Board of Directors (the Board) is as follows:


Category	Names
Independent Directors	Mr. Jawed Ahmed Mr. Imran Rehman Memon Mr. M.A. Majeed
Executive Directors	Mr. Muzaffar Baweja Mr. Zubair Baweja
Non-Executive Directors	Mr. S. Mahmood Baweja Mrs. Shahina Khalid

- The Board has constituted on December 20th 2018 for a term of three years.
- The Chairman of the Board is Non-Executive Director.

- 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).
- 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.
- The Board has developed a 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.
- All the powers of the Board have been duly exercised and decisions on relevant matters, have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, ("the Act") and these Regulations.
- 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. The Board has complied with the requirements of the Act, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of seven directors one is exempt from training program as mentioned in regulation No.19 sub regulation 2 of the Regulations. Furthermore two directors have already completed this training program earlier
- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed Committees comprising of members given below.
 - Audit Committee
 - Mr. Jawed Ahmed – (Chairman)
 - Mr. Imran Rehman Memon – Member
 - Mr. M.A. Majeed – Member
 - HR and Remuneration Committee
 - Mrs. Shahina Khalid – (Chairperson)
 - Mr. Jawed Ahmed – Member
 - Mr. M.A. Majeed – Member
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the aforesaid committees were as under.

Audit Committee	Quarterly
HR and Remuneration Committee	On required basis
- The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and one conversant with policies and procedures of the Company.
- 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, and registered with Audit Oversight Board of Pakistan 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 and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these listing regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

For and on behalf of Board of Directors


S. MAHMOOD BAWEJA
Chairman

Karachi: September 30th, 2020

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **M/S. PAKISTAN HOTELS DEVELOPERS LIMITED** (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems 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 Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.


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

Hyderabad:

Dated: September 30th, 2020

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, 2020, 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, 2020 and of the profit and comprehensive income, 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:

	Key audit Matter	How the matter is addressed in our audit
i)	COVID-19	
	Reference note 2(b) to the financial statements regarding the impact of COVID-19 The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty. The management is responsible to assess and disclose appropriately, the effects of COVID-19 on the liquidity and related ability to continue as a going concern of the Company.	The uncertainties arising from COVID- 19 were considered by us in planning and performing our audit to verify the management statement in note no. 2(b) our procedure included: <ul style="list-style-type: none">● Assessment of future occupancy of the hotel with reference to the percentage of occupancy achieved during the subsequent period;● Analyzing the current financial ratios with the historical ratios; and● Considered the appropriateness of the disclosure made in the financial statement.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements 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, 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.

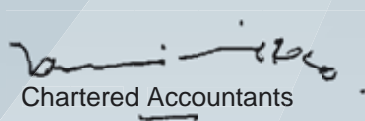
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) 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;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.



Chartered Accountants

Hyderabad:

Dated: September 30th, 2020

Statement of Financial Position as at June 30, 2020

	Notes	2020 (Rupees '000)	2019
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
30,000,000 ordinary shares of Rs. 10 each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up	5	180,000	180,000
Capital reserve			
Surplus on revaluation of fixed assets - net of tax	6	9,057,312	9,077,436
Revenue reserve			
Un-appropriated profit		<u>132,625</u>	<u>104,817</u>
		9,369,937	9,362,253
Liabilities against assets subject to finance lease	7	692	4,866
Deferred taxation	8	251,743	267,779
Security deposits	9	4,430	4,180
Current liabilities			
Current maturities	10	4,250	5,358
Accrued mark up	11	33	81
Short term borrowings	12	—	2,500
Unpaid dividend		14,451	14,477
Unclaimed dividend		10,251	10,251
Creditors, accrued and other liabilities	13	64,396	67,327
		93,381	99,994
Contingencies and commitments	14	<u>9,720,183</u>	<u>9,739,072</u>

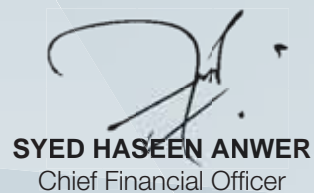
The annexed notes 1 to 40 form an integral part of these financial statements.


MUZAFFAR P. BAWEJA
 Chief Executive Officer

Karachi: September 30, 2020

	Notes	2020 (Rupees '000)	2019
ASSETS			
Non-current assets			
Fixed assets	15	9,607,906	9,637,494
Long term deposits	16	6,080	6,080
Current assets			
Stores and spares	17	1,613	1,527
Stock in trade - food and beverages	18	652	1,493
Trade debts-unsecured, considered good	19	16,254	35,508
Advances, prepayments and other receivables	20	39,647	20,992
Cash and bank balances	21	48,031	35,978
		106,197	95,498
		9,720,183	9,739,072


ZUBAIR BAWEJA
 Managing Director


SYED HASEEN ANWER
 Chief Financial Officer

Statement of Profit or Loss

for the year ended June 30, 2020

	Notes	2020 (Rupees '000)	2019
Turnover		372,675	548,981
Sales tax and other taxes		(45,954)	(68,442)
Sales and services - net	22	326,721	480,539
Cost of sales and services	23	(208,874)	(228,320)
Gross profit		117,847	252,219
Administrative, selling and general expenses	24	(127,744)	(192,732)
Other operating income	25	1,186	382
Operating (loss) / profit		(8,711)	59,869
Financial charges	26	(1,082)	(4,235)
Net (loss) / profit before taxation		(9,793)	55,634
Taxation	27	10,235	(27,621)
Net profit after taxation		442	28,013
Earning per share:			
		(Rupees)	
- Basic and Diluted	35	0.02	1.56

Appropriation has been shown in the statement of changes in equity.

The annexed notes 1 to 40 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: September 30, 2020


Statement of Comprehensive Income for the year ended June 30, 2020

	2020 (Rupees '000)	2019
Net profit after taxation	442	28,013
Other comprehensive income/(loss) for the year		
Items that will not be reclassified to the statement of profit or loss		
Remeasurements of defined benefit plan-net of deferred tax	924	(100)
Surplus on revaluation of fixed assets (Land and Farm House) net of deferred tax	6,318	4,711,220
	7,242	4,711,120
Total comprehensive income for the year	<u>7,684</u>	<u>4,739,133</u>

The annexed notes 1 to 40 form an integral part of these financial statements.


MUZAFFAR F. BAWEJA
Chief Executive Officer


ZUBAIR BAWEJA
Managing Director


SYED HASEEN ANWER
Chief Financial Officer

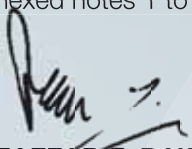
Karachi: September 30, 2020

Statement of Changes in Equity

for the year ended June 30, 2020

	Share Capital	Capital reserve surplus on Revaluation of Fixed assets (Land, Building and Farm House)	Revenue reserve Unappropriated profit	Total
.....(Rupees '000).....				
Balance as at June 30, 2018	180,000	4,391,280	69,840	4,641,120
Transferred from Surplus on revaluation of fixed assets (net of tax)	—	(25,064)	25,064	—
Total comprehensive income for the year				
Profit for the year	—	—	28,013	28,013
Other comprehensive income for the year	—	4,711,220	(100)	4,711,120
Total comprehensive income for the year	—	4,711,220	27,913	4,739,133
Appropriation :				
Paid interim cash dividend Rs.1/= (10%) for the year 2019	—	—	(18,000)	(18,000)
Balance as at June 30, 2019	180,000	9,077,436	104,817	9,362,253
Transferred from surplus on revaluation of fixed assets	—	(26,442)	26,442	—
Total comprehensive income for the year				
Loss for the year	—	—	442	442
Other comprehensive loss for the year	—	6,318	924	7,242
Total comprehensive loss for the year	—	6,318	1,366	7,684
Balance as at June 30, 2020	180,000	9,057,312	132,625	9,369,937

The annexed notes 1 to 40 form an integral part of these financial statements.


MUZAFFAR F. BAWĒJA
Chief Executive Officer


ZUBAIR BAWĒJA
Managing Director


SYED HASEEN ANWER
Chief Financial Officer

Karachi: September 30, 2020

Statement of Cash Flows

for the year ended June 30, 2020

	Notes	2020 (Rupees '000)	2019
Cash flow from operating activities			
Cash generated from operations	28	57,494	129,190
Income taxes paid		(17,690)	(29,807)
Financial charges paid		(1,130)	(4,894)
Net cash from operating activities		38,674	94,489
Cash flow from investing activities			
Payment for acquisition of fixed assets		(16,624)	(5,175)
Payment for capital work-in-progress		(4,403)	(9,048)
Proceeds from disposal of fixed assets		3,500	565
Profit on bank deposits		492	367
Net cash used in investing activities		(17,035)	(13,291)
Cash flow from financing activities			
Repayment of finance lease		(3,934)	(3,376)
Dividend paid		(26)	(17,648)
Repayment of loan to directors		(2,500)	2,500
Net cash used in financing activities		(6,460)	(18,524)
Net (decrease) in cash and cash equivalents		15,179	62,674
Cash and cash equivalents - start of the year		22,427	(40,247)
Cash and cash equivalents - end of the year	29	37,606	22,427

The annexed notes 1 to 40 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: September 30, 2020

Notes to the Financial Statement

for the year ended June 30, 2020

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 suspended. Subsequently, soft opening of banquets were only started from February, 2017 and partial operations were resumed from August 14, 2017.

Further, to improve safety measures new system of fire and smoke detection were decided to be installed in all rooms and all areas of the hotel and as per initial installation plan same was needed to be completed by the end December 31, 2019. However, owing to prevailing Covid-19 pandemic, installation of new system was only completed in 211 rooms and in some other areas of the hotel. The management of the company is confident that, as the operation of the company is going to be normalized in post Covid-19 scenario, the complete installation of new system will be completed by June 30, 2021, and will be available for use, afterward.

- b) On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The COVID-19 outbreak developed rapidly thereafter with a significant number of COVID-19 cases reported globally. The pandemic has resulted in consequences on health and society and on economy affecting the earnings and cash flow of businesses, after the announcement of lock-downs by the government authorities, resulting in closure of business operations except for specifically exempted industries. The management believes that due to the pandemic the Company's operations, financial position and results have been impacted only on a temporary basis and believes that as normalcy comes about, these impacts have started to recede.
- c) 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, building and farm house 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 New standards, interpretations and amendments to published approved accounting standards

3.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended June 30, 2020 and are considered to be relevant to the Company's financial statements:

IFRS 9 Financial Instruments [Amendments]	January 1, 2019
IAS 23 Borrowing costs [Amendments]	January 1, 2019
IFRS 16 Leases	January 1, 2019
Annual improvements to IFRSs (2015-2017 Cycle)	January 1, 2019

The impact of adoption of IFRS 16 "Leases" was not required for these financial statements therefore, no adjustments were made in these financial statements.

The following standards, amendments and interpretations thereto as notified under the Companies Act, 2017 are either not relevant to the Company's operations or are not likely to have significant impact on the Company's financial statements:

IFRIC 23 Uncertainty over Income Tax Treatments	January 1, 2019
IAS 28 Investments in Associates and Joint Ventures [Amendments]	January 1, 2019
IAS 19 Employee Benefits [Amendments]	January 1, 2019
IFRS 3 Business Combinations [Amendments]	January 1, 2019
IFRS 11 Joint Arrangement [Amendments]	January 1, 2019

3.3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective. The following standards, amendments and interpretations with respect to the approved accounting and reporting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

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

Standard or Interpretation	Effective Date (Period beginning on or after)
Conceptual Framework in IFRS Standards	January 1, 2020

IFRS 7 Financial Instruments: Disclosures [Amendments]	January 1, 2020
IFRS 9 Financial Instruments	January 1, 2020
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
IFRS 16 Leases [Amendments]	June 1, 2020
IAS 1 Presentation of Financial Statements	January 1, 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2020
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

3.4 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.

3.5 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.

3.6 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, building and farm house 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 15.1 Crockery, cutlery, linen and uniforms are charged to the profit and loss account on replacement basis. The depreciation for assets acquired or disposed off 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 Trade receivables

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

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 Financial instruments

3.16.1 Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

a) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an allocation is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.16.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

3.16.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 Revenue recognition

Revenue arises mainly from the providing rooms to customers, food & beverages and contracts for renting of shops and offices.

To determine whether to recognize revenue, the company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

The company often enters into transactions involving a range of the products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

The company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, it recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

3.18 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.

3.19 Related Party Transactions

Transactions between the company and related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to seller. In case when comparable prices from the market are not available, approval of the Board is obtained.

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.

		2020	2019
		(Rupees '000)	
5. Issued, subscribed and paid-up			
16,580,800	Ordinary shares of Rs. 10/- each fully paid in cash	165,808	165,808
1,419,200	Ordinary shares of Rs. 10/- each issued for consideration other than cash (NRI)	14,192	14,192
<u>18,000,000</u>		<u>180,000</u>	<u>180,000</u>

There were no movement in the share capital of the company in either the 2019 or 2020 reporting years. The company has one class of ordinary shares which carry no right to fixed income.

		2020	2019
		(Rupees '000)	
6. Surplus on revaluation of fixed assets			
Surplus on revaluation of leasehold land		8,551,160	8,548,809
Surplus on revaluation of building on leasehold land		502,199	528,627
Surplus on revaluation of Gharo Farm House		3,953	—
		<u>9,057,312</u>	<u>9,077,436</u>

Leasehold land bearing plot No.195/2, Main Shahrah-e-Faisal, Karachi and building on the said 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. As on November 1st, 2018 leasehold land and building on leasehold land were fresh revalued by M/s. Sardar Enterprises (an Independent Valuer) which resulted an increase of Rs.4,554 million and Rs.221.436 million respectively in the book value. As on 6th June, 2020 leasehold land (Gharo) and Farm House on Leasehold land at gharo revalued by M/s. SadruddinAssociates (an Independent Valuer) which resulted an increase of Rs.2.351 million and Rs.5.586 million 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.

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

	Surplus on revaluation of		
	Leasehold land	Building on leasehold land	Gharo Farm House
	(Rupees '000)		
Surplus on June 30, 2018	3,994,809	396,471	—
Effect of revaluation carried on Nov. 1st, 2018	4,554,000	221,436	—
Effect of revaluation on deferred tax	—	(64,216)	—
Incremental depreciation (net of tax)	—	(25,064)	—
transferred to accumulated profit	—	—	—
Surplus on June 30, 2019	<u>8,548,809</u>	<u>528,627</u>	<u>—</u>
Effect of revaluation carried out on Jun 06, 2020	2,351	—	5,586
Effect of revaluation on deferred tax	—	—	(1,619)
Incremental depreciation (net of tax)	—	(26,428)	(14)
transferred to accumulated profit	—	—	—
Surplus on June 30, 2020	<u>8,551,160</u>	<u>502,199</u>	<u>3,953</u>

7. Liabilities against assets subject to finance leases

	2020 (Rupees '000)	2019 (Rupees '000)
Opening balance	8,876	10,316
Assets acquired during the year	—	1,936
	8,876	12,252
Payments	(3,934)	(3,376)
	4,942	8,876
Transferred to current maturity	(4,250)	(4,010)
	692	4,866

Lease rental are payable in monthly installments under the lease agreements. Financing rates 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:

	(Rupees '000)		2020 (Rupees '000)	2019 (Rupees '000)
Year	Minimum Lease Payment	Financial Charges	Present Value	Present Value
Year ended 2021	4,415	165	4,250	4,181
Year ended 2022	745	53	692	685

8. Deferred taxation

These comprise the temporary differences due to:

Accelerated depreciation	44,485	46,348
Revaluation, net of related depreciation	206,738	220,979
Others	520	452
	251,743	267,779

9. Security deposits

Opening balance	4,180	4,180
Received during the year	250	—
	4,430	4,180

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. These are kept in deposit account reference Note # 21.1.

		2020 (Rupees '000)	2019 (Rupees '000)
10. Current maturities			
Obligation under finance lease	7	4,250	4,010
Advance shop rent		—	1,348
		<u>4,250</u>	<u>5,358</u>

11. Accrued mark up			
Accrued mark up on obligations under finance lease		33	81
		<u>33</u>	<u>81</u>

12. Short term borrowings			
Loan from directors - unsecured	12.1	—	2,500
		<u>—</u>	<u>2,500</u>

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

		2020 (Rupees '000)	2019 (Rupees '000)
13. Creditors, accrued and other liabilities			
Trade creditors - unsecured		21,591	6,427
Accrued liabilities			
Accrued expenses		12,612	21,929
Excise, taxes and others		1,551	3,778
Sales tax		(866)	2,228
		<u>13,297</u>	<u>27,935</u>
Other liabilities			
Guest and banquet deposits		942	1,737
Payable to employee gratuity fund		4,426	4,073
WWF payable		4,416	4,416
Bank overdraft - Faysal bank	13.1	10,425	13,551
Advance from customers		5,809	5,974
Miscellaneous		3,490	3,214
		<u>29,508</u>	<u>32,965</u>
		<u>64,396</u>	<u>67,327</u>

13.1 This represents excess drawn 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 institution of the above suit, Saudi Arabian Airlines has also filed counter suit 936 of 1996 praying for the specific performance of the aforesaid agreement. Both these suits are pending in the High Court of Sindh at Karachi.

The company had obtained short term running finance facility aggregating Rs. 90.0 million from Mybank Limited carrying mark up @ KIBOR + 3% per annum. The facility was secured against equitable mortgage of land and building that constitutes Hotel Regent Plaza and Convention Centre located at 195/2, Shahrah-e-Faisal, Karachi and personal guarantee of all the directors of the company. During the current year the company discharged its liability in full. Upon settlement of liability the memorandum of satisfaction of charges has been obtained by the company.

- 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 in the Honorable IIIRD 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. 8.9 M (2019: Rs. 58 M) as compensation to affectees families

On 13th August 2020, subsequent to financial statement date, Judgement order was passed by the Honorable IIIRD Additional Session Judge, South Karachi, to dispose of the case.

2020 **2019**
(Rupees '000)

15. Fixed assets

— Property, Plant and Equipment - tangible	15.1	9,558,278	9,592,269
— Capital work in progress	15.2	49,628	45,225
		<u>9,607,906</u>	<u>9,637,494</u>

15.1 Property, plant and equipment - tangible

Particulars	COST/REVALUATION						Rate %	DEPRECIATION						W. D. V as at 30-06-2020
	As at 1-07-2019	Revaluation	Trans- fer	Additions	Disposal	As at 30-6-2020		As at 1-7-2019	For the year	Realized on revalu- ation	Trans- fer	Dispo-sal	As at 30-6-2020	
OWNED														
Leasehold land	8,580,000	—	—	—	—	8,580,000	—	—	—	—	—	—	—	8,580,000
Leasehold land - Gharo	2,549	2,351	—	—	—	4,900	—	—	—	—	—	—	—	4,900
Building on leasehold land	924,875	—	—	—	—	924,875	5	30,829	44,702	—	—	—	75,531	849,344
Farm House on leasehold land Gharo	8,042	2,374	—	—	—	10,416	5	2,975	270	(3,212)	—	—	33	10,383
Airconditioning plant	86,076	—	—	—	(17,550)	68,526	10	61,617	2,234	—	—	(14,697)	49,154	19,372
Elevators	7,449	—	—	—	—	7,449	10	6,079	136	—	—	—	6,215	1,234
Electric installation	7,485	—	—	—	—	7,485	10	6,950	52	—	—	—	7,002	483
Electric fancy fitting	565	—	—	—	—	565	10	523	4	—	—	—	527	38
Furniture and fixtures	95,545	—	—	1,691	—	97,236	10	76,067	2,113	—	—	—	78,180	19,056
In-house TV system	17,314	—	—	—	—	17,314	10	7,652	968	—	—	—	8,620	8,694
Gas connection	227	—	—	—	—	227	10	223	—	—	—	—	223	4
Carpets	18,648	—	—	248	—	18,896	10	12,613	621	—	—	—	13,234	5,662
Sound radio fusion system	2,440	—	—	—	—	2,440	10	2,163	28	—	—	—	2,191	249
Telephone installation	10,335	—	—	8,445	—	18,780	10	9,406	515	—	—	—	9,921	8,859
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	4,201	80	—	—	—	4,281	726
Equipments and accessories	40,759	—	—	6,240	—	46,999	10	29,991	1,403	—	—	—	31,394	15,605
Office equipments	5,489	—	—	—	—	5,489	10	4,593	88	—	—	—	4,681	808
Vehicles	4,075	—	—	—	—	4,075	20	2,585	300	—	—	—	2,885	1,190
Neon signs	435	—	—	—	—	435	10	387	5	—	—	—	392	43
Arms	37	—	—	—	—	37	10	33	—	—	—	—	33	4
Diesel Generator - Caterpillar	4,100	—	—	—	—	4,100	10	3,341	76	—	—	—	3,417	683
Diesel Generator - Perkins	4,196	—	—	—	—	4,196	10	3,011	120	—	—	—	3,131	1,065
Sub Total - Owned	9,840,046	4,725	—	16,624	(17,550)	9,843,845		265,239	53,715	(3,212)	—	(14,697)	301,045	9,542,800
LEASED:														
Vehicles	2,450	—	—	—	—	2,450	20	41	480	—	—	—	521	1,929
Chiller	21,000	—	—	—	—	21,000	10	5,947	1,504	—	—	—	7,451	13,549
Sub Total Leased	23,450	—	—	—	—	23,450		5,988	1,984	—	—	—	7,972	15,478
Grand Total 2020	9,863,496	4,725	—	16,624	(17,550)	9,867,295		271,227	55,699	(3,212)	—	(14,697)	309,017	9,558,278

(Rupees '000)

Particulars	COST/REVALUATION						Rate %	DEPRECIATION						W. D. V as at 30-06-2019
	As at 1-07-2018	Revaluation	Trans- fer	Additions	Disposal	As at 30-6-2019		As at 1-7-2018	For the year	Realized on revalu-ation	Trans- fer	Dispo- sal	As at 30-6-2019	
OWNED														
Leasehold land	4,026,000	4,554,000	—	—	—	8,580,000	—	—	—	—	—	—	—	8,580,000
Leasehold land - Gharo	2,549	—	—	—	—	2,549	—	—	—	—	—	—	—	2,549
Building on leasehold land	820,065	104,810	—	—	—	924,875	5	104,703	42,752	(116,626)	—	—	30,829	894,046
Farm House on leasehold land Gharo	8,042	—	—	—	—	8,042	5	2,708	267	—	—	—	2,975	5,067
Airconditioning plant	86,076	—	—	—	—	86,076	10	58,899	2,718	—	—	—	61,617	24,459
Elevators	7,449	—	—	—	—	7,449	10	5,927	152	—	—	—	6,079	1,370
Electric installation	7,485	—	—	—	—	7,485	10	6,890	60	—	—	—	6,950	535
Electric fancy fitting	565	—	—	—	—	565	10	518	5	—	—	—	523	42
Furniture and fixtures	91,291	—	—	4,254	—	95,545	10	74,226	1,841	—	—	—	76,067	19,478
In-house TV system	17,314	—	—	—	—	17,314	10	6,579	1,073	—	—	—	7,652	9,662
Gas connection	227	—	—	—	—	227	10	223	—	—	—	—	223	4
Carpets	18,241	—	—	407	—	18,648	10	11,904	709	—	—	—	12,613	6,035
Sound radio fusion system	2,440	—	—	—	—	2,440	10	2,132	31	—	—	—	2,163	277
Telephone installation	10,335	—	—	—	—	10,335	10	9,303	103	—	—	—	9,406	929
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	4,111	90	—	—	—	4,201	806
Equipments and accessories	41,802	—	—	—	(1,043)	40,759	10	29,221	1,246	—	—	(476)	29,991	10,768
Office equipments	5,489	—	—	—	—	5,489	10	4,494	99	—	—	—	4,593	896
Vehicles	3,814	—	2,265	—	(2,004)	4,075	20	2,464	270	—	1,177	(1,326)	2,585	1,490
Neon signs	435	—	—	—	—	435	10	382	5	—	—	—	387	48
Arms	37	—	—	—	—	37	10	33	—	—	—	—	33	4
Diesel Generator - Caterpillar	4,100	—	—	—	—	4,100	10	3,257	84	—	—	—	3,341	759
Diesel Generator - Perkins	4,196	—	—	—	—	4,196	10	2,880	131	—	—	—	3,011	1,185
Sub Total - Owned	5,177,357	4,658,810	2,265	4,661	(3,047)	9,840,046		330,854	51,636	(116,626)	1,177	(1,802)	265,239	9,574,807
LEASED:														
Vehicles	2,265	—	(2,265)	2,450	—	2,450	20	1,057	161	—	(1,177)	—	41	2,409
Chiller	21,000	—	—	—	—	21,000	10	4,275	1,672	—	—	—	5,947	15,053
Sub Total Leased	23,265	—	(2,265)	2,450	—	23,450		5,332	1,833	—	(1,177)	—	5,988	17,462
Grand Total 2019	5,200,622	4,658,810	—	7,111	(3,047)	9,863,496		336,186	53,469	(116,626)	—	(1,802)	271,227	9,592,269

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

2020 **2019**
(Rupees '000)

Cost of sales and services	23	50,129	48,122
Administrative, selling and general expenses	24	5,570	5,347
		55,699	53,469

15.1.2 Leasehold land is situated at Plot # 195/2, Shahrah-e-Faisal, Karachi with area of 13,200 sq. yds. Total covered area of building is 47,034 sq. yds. Usage of building as hotel business and operates a Five Star Hotel known as Regent Plaza Hotel and Convention Centre, Karachi as mentioned in note 1.

Other Lands are situated at Survey No.312 and No.313 with area of 10 acres and 4 acres respectively situated at Deh Mehro, Sufico, Tappa Gujjo, Taluka Mirpur Sakro District Thatta.

15.1.3 Gross carrying amount of all the items of property, plant and equipment represents their cost except leasehold land, building on leasehold land and farm house which are stated at revalued amount. Had the revaluation not been carried out the carrying amount of the leasehold land building on leasehold land and Farm House at Gharo land would have been Rs.31.191 (2019: 31.91) million Rs.83.589 (2019:87.989) Rs.4.814 (2019:Rs.5.067) million respectively.

15.1.4 Leasehold land (Gharo) and Farm House on Gharo Leasehold land were revalued on 06.06.2020 and the revaluation surplus of Rs.2.351 million and Rs.5.586 million were added to the value of leasehold land (Gharo) and Farm House respectively. Forced sale value of which were Rs.3.920 and Rs.8.333 million respectively.

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

	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Particulars of Buyer/ Mode of disposal
	(Rupees '000)				
Chillers (2 Nos)	17,550	14,697	2,853	3,500	Sold out to M/s. Hajvary Traders through advertisement and negotiation
Total 2020	17,550	14,697	2,853	3,500	
Total 2019	3,047	1,802	1,245	565	

15.1.7 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 value) which resulted an increase of Rs.528 M and Rs.135.228 M respectively in the book value. As on November 1st, 2018 leasehold land and building on leasehold land were fresh revalued by M/s. Sardar Enterprises (an independent Valuer) which result an increase of Rs. 4,554 million and Rs.221.436 million respectively in the book value. As on 6th June, 2020 leasehold land (Gharo) and Farm House on Leasehold land at Gharo revalued by M/s. Sadruddin Associates (an Independent Valuer) which resulted an increase of Rs.2.351 million and Rs.5.586 million 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 asset account.

	2020	2019
	(Rupees '000)	
15.2 Capital work in progress		
Civil works	8,000	8,000
Material for installation of fire fighting & smoke detector systems	41,628	37,225
	49,628	45,225

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

	2020 (Rupees '000)	2019
16. Long term deposits		
Utility deposits	6,080	6,080
	6,080	6,080
17. Stores and spares		
Consumable stores	969	876
Stationery	644	651
	1,613	1,527
18. Stock in trade - food and beverages		
Food	652	1,493
	652	1,493
This include food items of Rs. 0.435 million written off being predicable items held since start of lock down period till statement of financial position date.		
19. Trade debts-unsecured, considered good		
Due from customers	16,922	36,056
Receivable against sale of Al-Sehat	1,965	1,965
	18,887	38,021
Provision against doubtful debts	(2,633)	(2,513)
	16,254	35,508
20. Advances, prepayments and other receivables		
Advances - unsecured considered good		
Staff	5	9
Suppliers	19,684	7,673
Income tax (net of liability)	12,969	4,765
	32,658	12,447
Prepayments		
Insurance	106	117
Miscellaneous	128	326
	234	443
Other receivables		
Rent receivable	4,209	3,289
Miscellaneous	2,546	4,813
	6,755	8,102
	39,647	20,992
21. Cash and bank balances		
Cash in hand	9,502	2,584
Cash at banks (in current accounts)	33,695	28,747
Cash at bank (in deposit account)	4,834	4,647
	48,031	35,978

21.1 Amount is placed with commercial banks carrying markup ranging from 5% to 6.5% per annum (2019: Rs. 6.5% to 7.00%) payable monthly.

This include 4.430 million (2019:Rs. 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.

		2020 (Rupees '000)	2019
22. Sales and services - net			
Room rent		196,589	312,977
Food and beverages		105,599	132,516
Shop license fees		2,994	3,437
Other minor operated departments	22.1	21,539	31,609
		326,721	480,539

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

Note: Revenue decreased mainly due to COVID-19 outbreak (Pandemic Disease) and lockdown in the city for 3.5 months (15-03-2020 to 30-06-2020). During this period there were no business activities in the hotel.

		2020 (Rupees '000)	2019
23. Cost of sales and services			
Food and beverages			
Opening stock		1,493	52
Purchases		37,264	36,782
Closing stock		(652)	(1,493)
Consumption during the year		38,105	35,341
Direct expenses			
Salaries, wages and other benefits	23.1	52,847	63,650
Heat, light and power		43,150	46,279
Replacement of linen, china and glassware		2,940	3,465
Uniforms		90	234
Guest transportation charges		2,647	4,388
Water charges		3,031	2,248
Decoration hire charges		778	297
Consumable stores		3,173	4,970
Guest supplies		3,182	8,003
Commission		3,942	1,264
Musical expenses		267	329
Laundry and dry cleaning		576	687
Security Service		58	3,948
Telephone, telex and other related expenses		1,057	1,393
License and taxes		668	529
Traveling and transportation		290	481
Printing and stationery		910	1,012
Miscellaneous		1,034	1,680
Depreciation	15.1.1	50,129	48,122
		170,769	192,979
		208,874	228,320

23.1 Includes Rs. 1.156 million (2019: Rs. 0.763) million) in respect of employee retirement benefits.

		2020 (Rupees '000)	2019
24. Administrative, selling and general expenses			
Salaries and other benefits	24.1	53,484	62,557
Entertainment		188	2,104
Traveling and transportation		1,931	3,454
Running and maintenance of vehicle		3,092	3,832
Rent, rates and taxes		3,968	7,968
Heat, light and power		4,548	4,815
Communications		1,561	1,645
Printing and stationery		494	528
Advertisement and sales promotion		205	779
Legal and professional charges		1,828	9,738
Auditors' remuneration	24.2	543	543
Repair and maintenance		44,687	56,000
Bank commission and charges		31	25
Fee and subscription		1,731	1,372
Pest control		919	1,295
Donation	24.3	40	70
Insurance		164	193
Compensation to affectees		—	8,906
Commissions		1,342	1,697
Provision for bad debts		120	120
Rent receivable written off		—	3,141
Miscellaneous		661	386
Staff uniforms		—	101
Shops premium		—	15,000
Software charges		637	1,116
Depreciation	15.1.1	5,570	5,347
		127,744	192,732

24.1 Includes Rs.0.622 million (2019: Rs. 0.416 million) in respect of employee retirement benefits.

24.2 Auditors' remuneration

Audit fee	470	470
Certification fee	20	20
Out of pocket	53	53
	543	543

24.3 Donation

Jamiat Taleemul Quran	40	60
Shahid Khan Afridi Foundation	—	10
	40	70

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

		2020 (Rupees '000)	2019
25. Other operating income			
Profit on tender of foreign currency		47	695
Profit/(loss) on disposal of assets	25.1	647	(680)
Profit on saving account		492	367
		<u>1,186</u>	<u>382</u>
25.1 Profit/(loss) on disposal of assets			
Sale proceeds		3,500	565
Cost of assets		17,550	3,047
Less: Accumulated depreciation		14,697	1,802
Net book value		2,853	1,245
		<u>647</u>	<u>(680)</u>
26. Financial charges			
Interest on lease assets		1,082	1,044
Interest on short term borrowings		—	3,191
		<u>1,082</u>	<u>4,235</u>
27. Taxation			
Current year		9,486	36,767
Prior year		(2,066)	(390)
Deferred		(17,655)	(8,756)
		<u>(10,235)</u>	<u>27,621</u>
27.1	Aggregate current and deferred tax relating to items charged or credited to equity		
	Deferred tax of Rs.10.800 million (2019: Rs.10.237 million) was transferred from retained earnings to revaluation surplus. This relates to the difference between the depreciation on the revalued building on leasehold land, Farm house on leasehold land Ghara and equivalent depreciation based on the cost of the building and Farm house.		
27.2 Tax charge reconciliation			
Accounting (loss)/ profit		(9,793)	55,634
Tax at the applicable tax rate of 29% (2019: 29%)		(2,840)	16,134
Tax effect of expenses that are not deductible in determining taxable profit		17,931	21,351
Tax effect of items that are not deductible in determining accounting profit		(23,260)	(9,474)
Tax effect of changes in prior year current tax		(2,066)	(390)
		<u>(10,235)</u>	<u>27,621</u>

- 27.3** The provision for current year tax represent tax on taxable income at the rate of 29%. 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:

	2019	2018	2017
	(Rupees '000)		
Income tax provision for the year - accounts	36,767	23,173	26,576
Income tax as per assessment	34,701	22,783	27,732
Difference	<u>2,066</u>	<u>390</u>	<u>(1,156)</u>

28. Cash generated from operations

(Loss)/ Profit before taxation

(9,793) 55,634

Adjustment for non cash items and other adjustments:

Depreciation

55,699 53,469

Financial charges

1,082 4,235

Provision for bad debts

120 120

Profit on saving account

(492) (367)

Stock written off

435 —

(Gain)/loss on disposal of assets

(647) 680

56,197 58,137

46,404 113,771

(Increase)/decrease in operating assets

Stores and spares

(86) (308)

Stock in trade

406 (1,441)

Trade debts

19,134 6,897

Advances, prepayments and other receivables

(10,451) 1,491

9,003 6,639

Increase/(decrease) in operating liabilities

Advances and deposits

(1,098) 145

Creditors, accrued and other liabilities

3,185 8,635

2,087 8,780

57,494 129,190

29. Cash and cash equivalent

Cash and bank balances

48,031 35,978

Bank overdraft - Faysal bank

(10,425) (13,551)

37,606 22,427

30. Employee benefits

- 30.1** As mentioned in note 3.5, 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 20th, 2020 of the present value of the defined benefit obligation at June 30, 2020. The projected unit credit method, using the following significant assumptions has been used for the actuarial valuation:

	2020	2019
30.1.1 Actuarial assumptions		
Discount rate for interest cost in Profit and Loss charge	14.50%	10.00%
Discount rate used for year end obligation	9.25%	14.50%
Salary increase used for year end obligation		
Salary increase FY 2018 onward	N/A	N/A
Salary increase FY 2019 onward	8.25%	13.50%
Net salary is increased at	1-Jul-20	1-Jul-19
Mortality rate	SLIC 2001-2005 Set back	SLIC 2001-2005 Set back
Withdrawal rates	Age-based	Age-based
Retirement assumption	Age 60	Age 60
	2020	2019
	(Rupees '000)	
30.1.2 Amount recognized in financial position are as follows:		
Present value of defined benefit obligation	7,840	7,326
Add: Payable	943	911
Less: Fair value of Plan asset	(4,357)	(4,164)
Liability on statement of financial position	<u>4,426</u>	<u>4,073</u>
30.1.3 Changes in present value of defined benefit obligation		
Opening present value of obligation	7,326	6,450
Current service cost	1,358	991
Interest cost on defined benefit obligations	1,022	616
Benefits due but not paid during the year	(33)	(41)
Benefits paid	(528)	(541)
Remeasurement	(1,305)	(149)
Closing present value of obligation	<u>7,840</u>	<u>7,326</u>
30.1.4 Changes in fair value of plan assets		
Opening fair value of plan assets	4,164	4,556
Interest income on plan assets	602	428
Return on plan assets, excluding interest income	(381)	(249)
Benefits paid	(528)	(571)
Contribution by Company	500	—
Closing fair value of plan assets	<u>4,357</u>	<u>4,164</u>
30.1.5 Expense recognized in statement of profit or loss		
Current service cost	1,358	991
Interest cost on defined benefit obligation	1,022	616
Interest income on plan assets	(602)	(428)
	<u>1,778</u>	<u>1,179</u>

	2020 (Rupees '000)	2019
30.1.6 Total remeasurements chargeable in other comprehensive income		
Actuarial (gains)/losses from changes in financial assumptions	(86)	73
Remeasurement of plan obligation - Experience adjustment	(1,219)	(222)
Return on plan assets, excluding interest income	381	249
Unrecognized Actuarial Gains/(Losses) at end	<u>(924)</u>	<u>100</u>
30.1.7 Changes in net liability		
Liability/(asset) as per statement of financial position	4,072	2,794
Expense chargeable to statement of profit or loss	1,778	1,179
Remeasurement chargeable in other comprehensive income	(924)	100
Contributions	<u>(500)</u>	<u>—</u>
Statement of financial position's liability	<u>4,426</u>	<u>4,073</u>
30.1.8	Based on actuarial advise the company intends to charge an amount of approximately Rs.1.379 million in respect of gratuity fund in the financial statements for the year ending 30 June 2021.	
30.1.9 Additional disclosure items		
Plan asset at June 30, 2019 comprise:		
Bond	0%	0%
Equity	0%	0%
Cash and / or deposits	100%	100%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

	2020 (Rs.'000)
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation	
Discount rate + 100 bps	7,104
Discount rate - 100 bps	8,687
Salary increase + 100 bps	8,697
Salary increase - 100 bps	7,082
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:

Loan taken from directors	—	2,500
Loan repaid to directors	2,500	—
Gratuity Fund	500	—
Dividend paid to directors and relatives	—	16,554

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

	2020				2019			
	(Rupees '000)							
	Chief Executive	Directors	Non Executive Directors	Executives	Chief Executive	Directors	Non Executive Directors	Executives
Fees	—	—	—	—	—	—	—	—
Managerial remuneration	7,680	7,680	—	6,082	8,726	8,037	—	8,015
Perquisites and allowances	3,205	3,205	—	2,709	3,077	2,766	—	3,461
Company's contribution to gratuity fund	—	—	—	354	—	—	—	354
Leave encashment paid	850	850	—	—	850	850	—	161
	<u>11,735</u>	<u>11,735</u>	<u>—</u>	<u>9,145</u>	<u>12,653</u>	<u>11,653</u>	<u>—</u>	<u>11,991</u>
Number of person(s)	1	1	0	4	1	1	0	4

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

33. Financial instruments and risk management

33.1 Financial assets and liabilities

Financial Assets - loan and receivables

Maturity up-to one year

Trade debts	18,887	38,021
Other receivables	6,755	8,102
Cash and bank balances	48,031	35,978

Maturity after one year

Long term deposits	6,080	6,080
	<u>79,753</u>	<u>88,181</u>

Financial liabilities - at amortised cost

Maturity up-to one year

Creditors, accrued and other liabilities	64,396	67,327
Current maturity	4,250	5,358
Unpaid dividend	14,451	14,477
Unclaimed dividend	10,251	10,251
Short term borrowing	—	2,500
Maturity after one year		
Advances and deposits - unsecured	4,430	4,180
Liability against assets subject to finance lease	692	4,866
	<u>98,470</u>	<u>108,959</u>
On-statement of financial position gap	<u>(18,717)</u>	<u>(20,778)</u>

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 term deposits, trade receivables and security deposits. Out of the total financial assets of Rs.79.753 million (2019: Rs. 88.181 million), financial assets which are subject to credit risk amount to Rs.70.251 million (2019: Rs.79.623 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. Sales made to major customers are secured through letter of Credit. Balances with banks 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	Summit Bank Limited	A-1	A-	JCR-VIS
3	NBP	A1+	AAA	PACRA
4	Faysal Bank Limited	A-1+	AAA	JCR-VIS
		A1+	AA	PACRA
		A-1+	AA	JCR-VIS
5	Habib Bank Limited	A-1+	AAA	JCR-VIS
6	United Bank Limited	A-1+	AAA	JCR-VIS
7	Al-Baraka Bank Ltd.	A1	A	PACRA
		A-1	A+	JCR-VIS
8	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:

	2020 (Rupees '000)	2019 (Rupees '000)
Long term deposits	6,080	6,080
Trade debts	18,887	38,021
Other receivables	6,755	8,102
Bank balances	38,529	33,394
	70,251	85,597
The aging of trade receivables at the reporting date is:		
Past due 0 - 30 days	—	15,242
Past due 31 - 60 days	—	7,753
Past due 61 - 90 days	—	3,712
Past due 91 - 120 days	—	5,503
Past due 121 - 180 days	3,415	879
Past due 181 or more days	15,472	4,932
	18,887	38,021

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 2020

	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees '000)					
Financial liabilities						
Advances and deposits	4,430	4,430	4,430	—	4,430	—
Trade and other payables	64,396	64,396	64,396	—	—	—
Current maturity	4,250	4,250	2,125	2,125	—	—
Unpaid dividend	14,451	14,451	14,451	—	—	—
Unclaimed dividend	10,251	10,251	10,251	—	—	—
Liabilities subject to finance lease	692	692	—	—	692	—
2020	98,470	98,470	95,653	2,125	5,122	—

30 June 2019

	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees '000)					
Financial liabilities						
Advances and deposits	4,180	4,180	—	—	4,180	—
Trade and other payables	67,327	67,327	67,327	—	—	—
Short term borrowings	2,500	2,500	2,500	—	—	—
Current maturity	5,358	5,358	5,358	—	—	—
Unpaid dividend	14,477	14,477	14,477	—	—	—
Unclaimed dividend	10,251	10,251	10,251	—	—	—
Liabilities subject to finance lease	4,866	4,866	—	—	4,181	685
2019	108,959	108,959	99,913	—	8,361	685

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 not exposed to interest rate risk.

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.

Financial assets include balances of Rs. 4.83 million (2019: Rs.4.65 million), which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

At June 30, 2020, if the interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been higher/lower by Rs.0.48 million (2019: Rs.0.46 million, mainly as a result of higher/ lower interest income from these assets.

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.

35. Earning per share

	2020 (Rupees '000)	2019
Net profit after taxation	<u>442</u>	<u>28,013</u>
Weighted average number of ordinary shares	<u>18,000</u>	<u>18,000</u>
Basic and diluted earning per share - Rupees	<u>0.02</u>	<u>1.56</u>

36. Non-adjusting events after the balance sheet date

In the meeting of Board of Directors held on September 30th, 2020, the Board of Directors not recommended any dividend (2019 : 10%).

	2020	2019
37. Number of Employees		
Total number of employees - at year end	<u>99</u>	<u>180</u>
Average number of employees	<u>151</u>	<u>157</u>
38. Capacity and production		
No. of rooms	400	400
Average percentage of occupancy	14.99%	22.74%

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, 2020 works-out to 28% occupancy when calculated with number of operating rooms. Due to COVID - 19 (Pandemic disease), and locked down in the city no business for 3½ months from March 15 to June 30, 2020.

39. Date of authorization for issue

These financial statements were authorized for issue on September 30th, 2020 by the Board of Directors of the Company.

40. 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: September 30, 2020

Pattern of Shareholding – Form “34”

Shareholders Statistics as at June 30, 2020

NO. OF SHARE HOLDERS	From	SHAREHOLDING	To	TOTAL SHARES HELD
281	1	-	100	7,913
73	101	-	500	22,888
30	501	-	1000	25,837
34	1001	-	5000	78,253
6	5001	-	10000	44,833
3	10001	-	15000	36,500
2	15001	-	20000	36,000
4	20001	-	25000	96,603
4	25001	-	30000	109,630
2	30001	-	35000	63,600
1	35001	-	40000	40,000
1	55001	-	60000	58,300
1	90001	-	95000	95,000
1	95001	-	100000	95,500
1	100001	-	105000	101,000
1	160001	-	165000	165,000
1	175001	-	180000	180,000
1	240001	-	245000	242,500
1	295001	-	300000	300,000
1	400001	-	405000	405,000
1	440001	-	445000	443,100
1	555001	-	560000	555,340
3	620001	-	625000	1,868,811
1	1000001	-	1005000	1,002,324
1	1075001	-	1080000	1,079,360
1	1310001	-	1315000	1,313,860
1	1320001	-	1325000	1,322,360
1	1325001	-	1330000	1,328,360
1	1455001	-	1460000	1,456,360
1	1605001	-	1610000	1,608,860
1	1655001	-	1660000	1,658,454
1	2155001	-	2160000	2,158,454
463				18,000,000

Categories of Shareholders as on June 30, 2020

Particulars	No. of Share Holders	Shares Held	Percentage
(Directors)			
Mr. S. Mahmood Baweja	1	1,608,860	8.94
Mr. Muzaffar F. Baweja	1	1,658,454	9.21
Mr. Zubair Baweja	1	2,158,454	11.99
Mrs. Shahina Khalid	1	624,937	3.47
Mr. M.A. Majeed	2	600	0.00
Mr. Jawed Ahmed	1	5,000	0.03
Mr. Imran Rehman Memon	1	500	0.00
(Relatives of Directors)			
Mr. S.Ferozuddin Baweja	1	5,468	0.03
Mst. Shahida Begum	1	1,002,324	5.57
Mr. Mansoor F. Baweja	1	101,000	0.56
Mrs. Samina Mansoor Baweja	2	1,336,060	7.42
Mr. Mohsin Baweja	1	1,079,360	6.00
Mrs. Waqarunnisa Mohsin	1	180,000	1.00
Mr. Masroor F. Baweja	2	1,456,460	8.09
Mr. Amir F. Baweja	1	1,322,360	7.35
Mr. Zaheer Baweja	2	1,409,360	7.83
Mrs. Lubna Muzaffar	1	300,000	1.67
Mrs. Shazia Jamal	1	621,437	3.45
Mrs. Shireen Ahad	1	622,437	3.46
Mr. Mudabbir Muzaffar Baweja	2	192,200	1.07
Mr. Aneeq Ahmed	1	8,765	0.05
Ms. Asma Mehmood Baweja	1	242,500	1.35
Ms. Amtul Haseen Baweja	1	405,000	2.25
Mr. Hassan M. Baweja	1	30,300	0.17
Individuals			
(Minority Shareholders)	427	1,046,463	5.81
Others			
Joint Stock Companies	6	581,401	3.23
IDBL (ICP Units)	1	300	0.00
Banks/Financial Institutions	—	—	—
TOTAL	463	18,000,000	100.00

Shareholders holding 10% or more voting interest

1. Mr. Zubair Baweja	—	2,158,454	11.99
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The above statement include =403= Shareholders holding =17,405,579= 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 41st Annual General Meeting of the Company to be held on 27th October, 2020 at 04:30 P.M. at the Registered Office, 195/2, Shahrah-e-Faisal, Karachi and at any adjournment, thereof.

Signed this _____ day of _____ 2020

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., 17th 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 کمپنی کے 41 واں سالانہ اجلاس عام جو 27 اکتوبر 2020 کو 4:30 بجے شام رجسٹرڈ آفس 195/2 شارع فیصل کراچی میں منعقد ہوگا میں میری جانب سے شرکت کرے، ووٹ ڈالے اور ملتوی ہونے پر اس کے بعد بھی:

دستخط اس _____ دن کے _____ 2020

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

دستخط

دستخط

نام

نام

پتہ

پتہ

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

ضروری:

- اس پراکسی فارم کو درست طریقے سے قانونی طور پر مکمل کر کے کمپنی کے سیکریٹری یا ہمارے آزاد شیلٹر رجسٹرڈ آفس میسرز ایف ڈی رجسٹرار سروس (ایس ایم سی پرائیوٹ) لمیٹڈ، 17 ویں منزل، صائمڈ ٹریڈ ٹاور - A، کراچی لازمی میٹنگ سے 48 گھنٹے قبل جمع کرائیں
- فائدہ اٹھانے والے مالکان اور پراکسی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کریں۔
- میٹنگ کے وقت پراکسی اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔
- کارپوریٹ وجود ہونے کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد / پاور آف اٹارنی نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں گے۔

مذکورہ بالا معاملہ کے علاوہ، ہم ان باتوں کی بھی تصدیق کرتے ہیں:

- (a) مالی بیانات کمپنیز ایکٹ 2017 کی ضروریات کے مطابق بنائے گئے ہیں اور اس کے معاملات، آپریٹنگ نتائج، نقد بہاؤ اور ایکویٹی میں بدلاؤ کی منصفانہ حیثیت سے بیان کیا گیا ہے۔
- (b) کمپنیوں کے اکاؤنٹس کی مناسب کتابیں کمپنیز ایکٹ 2017 کے تحت درکار ہیں۔
- (c) مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط کاروباری فیصلے پر مبنی ہوتا ہے۔
- (d) بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- (e) داخلی کنٹرول سسٹم پر عمل درآمد اور نگرانی کی جارہی ہے۔
- (f) کمپنی کی جاری توثیق کی حیثیت سے اس کی صلاحیت کے بارے میں کوئی اہم شبہات نہیں ہیں۔
- (g) کارپوریٹ گورننس کے بہترین طریقہ کار سے کسی قسم کی مراعات نہیں ہوئی ہیں، جیسا کہ فہرست سازی کے ضوابط کی ضرورت ہے۔
- (h) رواں سال اور پچھلے پانچ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کو اس رپورٹ سے منسلک کیا گیا ہے۔
- (i) بقایا فرائض اور ٹیکس، اگر کوئی ہے تو مالی بیانات میں ظاہر کیا گیا ہے۔
- (j) چیئر مین کا جائزہ 30 جون 2020ء کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی سے نمٹنے میں، مستقبل کے امکانات اور کمپنی سے متعلق دیگر امور اس رپورٹ کا ایک حصہ ہے۔
- (k) سال 2019-20ء کے دوران ہونے والے اجلاسوں کی تعداد چار (4) تھی۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے۔

میٹنگز کی تعداد

ڈائریکٹر کا نام	دوران ڈائریکٹر شپ سال کے دوران منعقد ہوئیں	حاضری
جناب ایس محمود بوبیجا صاحب	04	03
جناب مظفر ایف بوبیجا صاحب	04	04
جناب زبیر بوبیجا صاحب	04	04
ممتاز شاہینہ خالد صاحبہ	04	04
جناب ایم اے مجید صاحب	04	04
جناب جاوید احمد صاحب	04	03
جناب عمران رحمان میمن صاحب	04	04

(l) 30 جون 2020ء کو حصص داری کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

(m) ہم تصدیق کرتے ہیں کہ ڈائریکٹر ذراوسی ایف اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران ظاہر کردہ حصص کے علاوہ کمپنی کے حصص کا کوئی لین دین نہیں کیا۔

(n) اسٹیٹمیٹ آف کمپلائنس بشمول کوڈ آف گورننس اس رپورٹ کے ساتھ منسلک ہیں۔

(o) موجودہ آڈیٹرز میسرز تنویر عارف اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہیں اور دوبارہ تقرری کے اہل نہیں ہیں، لہذا آڈٹ کمیٹی اور بورڈ نے میسرز کلارکسن ہائیڈرسعود انصاری چارٹرڈ

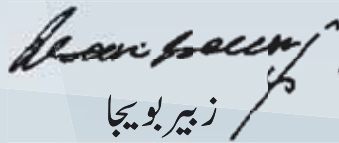
اکاؤنٹنٹس کو سال 2020-21 کے لئے آڈیٹر مقرر کرنے کی سفارش کی ہے۔

(p) بورڈ میں مالی سال کے دوران کسی بھی طرح کی خالی آسامی پیدا نہیں ہوئی تھی۔

بورڈ آف ڈائریکٹرز کی طرف سے



مظفر ایف بوبیجا
چیف ایگزیکٹو آفیسر



زبیر بوبیجا
چیئرمین ڈائریکٹرز

کراچی: 30 ستمبر 2020

رجحانات اور عوامل

ملک میں درپیش معاشی چیلنجوں سے توقع کی جارہی ہے کہ افراط زر اور سود کی شرحوں میں اضافے کا دباؤ برقرار رکھے گا اور روپے کو دباؤ میں رکھے گا، جس سے توقع ہے کہ کاروبار اور سرمایہ کاری کے ماحول پر منفی اثر پڑتا ہے۔ آئی ایم ایف کے حالیہ بیل آؤٹ پیکیج کے بعد، مالی اور معاشی پالیسیوں میں کفایت شعاری کے اقدامات ترقی کی رفتار کے لئے ایک چیلنج بن سکتے ہیں۔ تاہم فی الحال جاری چین، پاکستان اقتصادی راہداری (سی پی ای سی) کو بجلی کی برہتی ہوئی دستیابی اور بنیادی ڈھانچے کی ترقی کے منصوبے کے ساتھ معیشت کو فروغ دینا چاہیے۔

مستقبل پر نقطہ نظر

ہمارے پاس کاروبار کی طویل مدتی نشوونما پر COVID-19 صورتحال کے تحت مثبت نقطہ نظر برقرار ہے۔ تاہم 9 اگست 2020ء کو اتھارٹی کی پیش کردہ سفارشات کو مدنظر رکھتے ہوئے ہوٹل کو دوبارہ کھول دیا گیا ہے اور صارفین کی طرف سے مثبت جواب دیا گیا ہے اور ہم امید کر رہے ہیں کہ ماضی کی طرح ترقی کرے گا، روپے کی قدر میں کمی اور اخراجات میں اضافہ کو مدنظر رکھتے ہوئے انتظامیہ پوری طرح پرعزم ہے۔

داخلی مالی معاہدوں کی اہلیت

بورڈ آف ڈائریکٹرز نے تمام افعال میں موثر اندرونی مالی کنٹرول قائم کیے ہیں۔ آپ کی کمپنی کا آزاد داخلی آؤٹ فنکشن باقاعدگی سے مالیاتی کنٹرول پر عمل درآمد کی نگرانی کرتا ہے، جبکہ آؤٹ کیمپنی داخلی کنٹرول فریم ورک کی تاثیر کا جائزہ لیتی ہے۔

ضمنی واقعات

سال کے آخر اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلی یا وعدے نہیں ہوئے ہیں۔

ماحول پر کاروبار کا اثر

ماحولیات کی حفاظت کے لئے اپنی مہداری کو بھانپتے ہوئے، کمپنی اپنے ملازمین کی باقاعدگی سے تربیت کے ساتھ ساتھ ماحولیاتی، بچت پانی اور توانائی کی تعلیم کی تربیت کے لئے مختلف داخلی ورکشاپس اور سیمینار کا اہتمام کر رہی ہے۔ ہمیں ہوٹل کے باہر اور اندر کے کچھ سب پودے بھی لگائے گئے ہیں، جو آنکھیں خوشگوار معلوم ہوتے ہیں اور ماحولیات کے تحفظ کے اقدامات میں مددگار ثابت ہوتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی معاشرتی ذمہ داریوں کو تسلیم کرتی ہے اور برادری کے ایک اہم رکن کی حیثیت سے اپنے عمل، نظام اور خدمات کو مستقل طور پر بہتر بنانا اپنی ذمہ داری کو بھی تسلیم کرتی ہے۔ یہ غیر متعصبانہ انداز کے ساتھ بہتر ماحول کے اپنے وسائل میں حصہ ڈالنے کے لیے پرعزم ہے۔ اس کی حفاظت، صحت اور ماحولیاتی پالیسیاں ملازمین اور اسٹیک ہولڈرز کی جانبدارانہ بہتری کی طرف گامزن ہیں۔

ہم نے کمپنی کے مختلف شعبے میں مختلف ادائیگی کرنے والے افراد کو متاثر کیا ہے اور اس کے بعد وہ اپنے اپنے شعبے میں بہتر ملازمت حاصل کرنے کے اہل ہیں۔ مزید یہ کہ ہر سال ایک یا دو ملازمین کمپنی کے خرچ پر جگہ ادا کرتے ہیں۔ کوئیڈ-19 پھیلنے کی وجہ سے اس سال ملازمین نے کوئی حج نہیں کیا حالانکہ انتظامات مکمل ہو گئے تھے۔ کمپنی ساز و سامان کی تنصیب کر کے توانائی کی لاگت کو کم کرنے کی طرف بھی گامزن ہے جو معیار سے سمجھوتہ کیے بغیر لاگت کو کم سے کم کرنے میں ہماری مدد کرتی ہے اور ہم توانائی کے موثر استعمال کے لئے عمل کو مناسب تربیت اور بریفنگ بھی دیتے ہیں اور اس طرح سے ہم کراچی کے اہم مسئلہ شارٹ فال انرجی میں اپنا حصہ ڈال رہے ہیں۔ کسی بھی کامیاب تنظیم کے لئے صارفین کے اطمینان اور آراء کو اہم سمجھا جاتا ہے، لہذا ہم باقاعدگی سے گاہک سے آراء لیتے ہیں اور اس طرح ان تجاویز اور ریمارکس کی بنیاد پر اپنی خدمات کو بہتر بنانے کی کوشش کرتے ہیں۔

کمپنی کے پاس خصوصی افراد کو بھرتی کے لئے اوپن ڈور پالیسی ہے۔ کمپنی مختلف محکموں میں متعدد افراد کو ملازمت دیتی رہتی ہے۔

انسانی وسائل

کمپنی نے صنعتی امن کو برقرار رکھنا اور انصاف پسندی کو فروغ دے کر کمپنی میں موجود تمام ملازمین کے لئے ایک مثبت اور قابل عمل ماحولیاتی ماحول پیدا کیا۔ کمپنی ہر سطح پر اہلکاروں کی ترقی، اپنی صلاحیتوں کی تعمیر اور کاروباری تسلسل کے لئے صلاحیتوں کو برقرار رکھنے کے لئے اپنی کوششوں کو جاری رکھے ہوئے ہے۔ ملازمین کی شمولیت کو مضبوط پالیسیاں اور طریقہ کار کے ساتھ سنبھال لیا گیا ہے۔ کمپنی نے ایک مستحکم جانشینی منصوبہ تیار کیا ہے، جس میں کارکردگی کی جانچ اور مستقبل کے رہنماؤں کی ترقی کے لئے مناسب تربیت کی ضروریات شامل ہیں۔ کمپنی بین الاقوامی سطح پر بھی ترقیاتی مواقع فراہم کر کے ملازمین کی صلاحیتوں میں اضافہ کرتی رہی ہے۔

خالص منافع

سال کے دوران کمپنی نے ٹیکس ادا کرنے کے بعد 0.442 ملین روپے کا منافع حاصل کیا، منافع میں کمی بنیادی طور پر غیر متوقع معاشی صورتحال کی وجہ سے ہوا ہے، جس کی وجہ کوئیڈ - 19 کی وبا دنیا اور پاکستان میں پھیل گئی، جس نے ہوٹل کے کاروبار کو بری طرح متاثر کیا۔

نی حصص آمدنی

نی حصص آمدنی 0.02 روپے رہی۔

پراپرٹی کی ری ویلیویشن

بورڈ کی ہدایت کے مطابق اس سال کے دوران ایک آزاد تخمینہ کار کے ذریعے گھارو میں لیز ہولڈر اراضی اور فارم ہاؤس کا دوبارہ تخمینہ لگایا گیا، جس کے نتیجے میں کمپنی کی کتابوں میں 2.351 ملین روپے اور 5.586 ملین روپے کا بالترتیب لیز ہولڈر اراضی اور فارم ہاؤس میں اضافہ درج کیا گیا۔

حصص داروں کا استحقاق

بورڈ آف ڈائریکٹرز نے مالی سال 2020 کے لئے اپنے حصص داروں کو کسی بھی قسم کے حتمی نقد منافع کی سفارش نہیں کی ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ کی منظور شدہ ایک باضابطہ ڈائریکٹرز کے لئے معاوضہ کی پالیسی موجود ہے۔ پالیسی میں کمپنی ایکٹ 2017 اور سی سی جی کے مطابق ڈائریکٹرز کے معاوضے کے لئے شفاف طریقہ کار شامل ہے۔ بورڈ میننگ میں شرکت کے لئے ڈائریکٹرز کو سال 2019-20ء کے دوران کوئی فیس نہیں دی گئی۔

مالی بیانات کو نوٹ 32 میں ڈائریکٹرز اور چیف ایگزیکٹو کو سال کے دوران ادا کیے جانے والے معاوضے کا مناسب انکشاف کیا گیا ہے۔

متعلقہ پارٹی ٹرانزیکشن

کمپنی نے اپنی متعلقہ فریقوں کے ساتھ تمام لین دین کو اپنی استطاعت کے مطابق انجام دیا ہے، سوائے اس کے جس کا مالی بیانات میں انکشاف کیا گیا ہو۔ پارٹی کے تمام لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں اور ان سفارشات پر بورڈ آف ڈائریکٹرز نے ان کی منظوری دے دی۔

قومی خزانے میں تعاون

زیر غور سال میں کمپنی نے عام سبز ٹیکس، انکم ٹیکس اور دیگر عائد محصولات کی شکل میں صوبائی اور وفاقی حکومتوں کے لئے 55.483 ملین روپے کی رقم فراہم کی۔

سرمایہ میں خرچہ

سال کے دوران ہم نے فائز سیکورٹی آلات میں مزید 4.4 ملین روپے خرچ کیے ہیں۔ اس رقم کو کمپیوٹل ورک ان پروسس میں شامل کیا گیا ہے اور اس سلسلے میں مجموعی بیلنس

49.628 ملین روپے ہے۔ اس منصوبے کی کل تخمینہ لاگت تقریباً 60 ملین روپیہ ہے۔

نیز ہم نے اس سال کے دوران پی اے بی ایکس سسٹم، بوائمر، فرنیچر اور فکسچر کی مد میں 16.624 ملین روپے کا خرچہ کیا۔

بنیادی خطرات اور غیر یقینی اقدامات

کوئیڈ - 19 (وبائی بیماری) پھیلنے کی وجہ سے دنیا کے ساتھ ساتھ پاکستان میں بھی ہوٹل کے کاروبار کو بری طرح متاثر کیا اور غیر یقینی صورتحال پیدا ہو گئی۔ الحمد للہ پاکستان نے کورونا وائرس کے مرض پر قابو پانے کے لئے کامیابی حاصل کی ہے اور اُمید ہے کہ موجودہ سال کے اختتام تک صورتحال معمول پر آجائے گی۔

ایسا لگتا ہے کہ آئندہ برسوں میں امن و امان کی صورتحال میں بہتری، نئی حکومت کے اقدامات، سی پیک کی پیشرفتوں اور پاکستان میں زیادہ سے زیادہ بین الاقوامی اور گھریلو سیاحوں

کی آمد کی وجہ سے آنے والے برسوں میں پاکستان میں مہمان نوازی کی صنعت کا مستقبل مزید پھلے پھولے گا۔

تاہم ہندوستانی سرحد پر حالیہ تناؤ سیاحت کی صنعت کو بری طرح متاثر کرے گا۔ مزید یہ کہ ہم آگ لگنے کے واقعے کے بعد سے ابھی تک بحالی کے عمل میں ہیں، اسلئے ہمیں اپنے

پیروں پر کھڑا ہونے میں کچھ وقت لگے گا۔

کمپنی کا مجموعی رسک مینجمنٹ پروگرام اپنی کارکردگی پر پائے جانے والے ممکنہ منفی اثرات کو کم کرنے پر مرکوز ہے۔ یہ کمپنی کی سینئر مینجمنٹ ٹیم نے انجام دی ہے اور نتائج بورڈ

آف ڈائریکٹرز کے ساتھ شیئر کیے گئے ہیں۔ کمپنی کو اس وقت جن اہم خطرات کا سامنا ہے، ان میں پاکستانی روپے کی قدر میں کمی اور مہنگائی کی وجہ سے کاروبار کرنے میں بڑھتی

ہوئی لاگت شامل ہے۔

ڈائریکٹرز رپورٹ

پاکستان ہوٹلز ڈویلپرز لمیٹڈ کے بورڈ آف ڈائریکٹرز، 30 جون 2020 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے کے ساتھ آپ کو سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس سال غیر ضروری درآمدات پر تبادلہ کی شرح، اخراجات پر قابو پانے اور انضباطی ڈیوٹی میں اضافہ نظر آنے لگا ہے۔ ان اقدامات سے کچھ حد تک استحکام لانے میں مدد ملی ہے اور معاشی غیر یقینی کو کم کرنے میں بھی مدد ملی ہے۔ لیکن کوئیڈ-19 کے پھیلنے کی وجہ سے غیر متوقع صورتحال پیدا ہوئی ہے، جس کی وجہ سے پوری دنیا کی معیشت بری طرح متاثر ہوئی خصوصی طور پر ایئر لائن اور ہوٹل انڈسٹریز اور ہمارے ملک کو بھی اسی صورتحال کا سامنا کرنا پڑا اور اس کا نتیجہ منفی جی ڈی پی پر ہوا۔ مذکورہ بالا عوامل کی بناء پر، سال 2019-20 چیلنجنگ اور مشکل سال تھا۔ تاہم کمپنی نے معیشت میں غیر یقینی صورتحال کے باوجود معقول کارکردگی کا مظاہرہ کیا۔

کوئیڈ-19 اور متعلقہ اقدامات

پاکستان میں 26 فروری 2020 سے کورونا وائرس کی بڑھتی ہوئی صورتحال کے پیش نظر، ہماری کمپنی نے اس صورتحال پر قریبی نگرانی کے لئے ایک وبائی وائج کمیٹی قائم کی۔ کمیٹی اور انتظامی ٹیم نے صورتحال کا بغور جائزہ لیا اور COVID-19 کے ملازمین اور ان کے اہل خانہ اور کاروبار پر اثرات کو کم کرنے کے لئے ضروری کنٹرولز نافذ کیے۔

بیان برائے کمپنی امور

COVID-19 پھیلنے (وبائی مرض) کی وجہ سے مالی سال 2019-20 کمپنی کے کاروبار کے لحاظ سے اچھا نہیں رہا اور شہر بند رہنے سے اس کے کاروبار پر منفی اثر پڑا اور سال 2019-20 میں تقریباً 31% ماہ کے دوران ہوٹل اور کمپنی میں کوئی کاروباری سرگرمی نہیں ہوئی، جس کی وجہ سے نقصان کا سامنا رہا۔

مالیاتی کارکردگی

اس سال اور پچھلے سال کے رپورٹ کے تحت کمپنی کی مالی کارکردگی کی نمایاں خصوصیات درج ذیل ہیں:

تبدیلی	2018 - 19	2019 - 20	تفصیلات
..... '000 روپے میں			
(176,306)	548,981	372,675	مجموعی محصول
(153,818)	480,539	326,721	نیٹ ریونیو
(134,372)	252,219	117,847	مجموعی منافع
(68,580)	59,869	(8,711)	آپریٹنگ منافع / (نقصان)
(66,350)	113,338	46,988	ایبٹڈا (EBITDA)
(27,571)	28,013	442	خالص منافع / (نقصان)
(1.54)	1.56	0.02	آمدنی فی حصص (روپے)

آمدنی

زیر نظر مالی سال 2019-20 کے دوران آپ کی کمپنی نے مجموعی فروخت سے 373 ملین روپے کی آمدنی حاصل کی، جو گزشتہ سال کے مقابلہ میں 32.11 فیصد کم ہے۔ یہ بنیادی طور پر کمروں کی رہائش میں کمی اور متعلقہ کھانے پینے کی اشیاء کی فروخت میں کمی سے ہوئی۔

فروخت اور خدمات کی لاگت

زیر جائزہ مالی سال 2019-20 کے دوران آپ کی کمپنی کی فروخت اور خدمات کی لاگت میں گزشتہ سال کے مقابلہ میں 8.52 فیصد کمی واقع ہوئی۔ یہ کمی بنیادی طور پر آمدنی میں کمی کی وجہ اور خرچہ کو قابو کرنے کیلئے سخت اقدامات اٹھائے گئے۔

کل منافع

آپ کی کمپنی نے زیر جائزہ مالی سال میں مجموعی منافع کا 36.06% حاصل کیا جبکہ اس سے پچھلے اطلاع دیئے گئے سال میں 52.49% تھی۔

چیئر مین جائزہ رپورٹ

30 جون 2020ء کو ختم ہونے والے مالی سال کے دوران کمپنی کے مقاصد کے حصول میں بورڈ کی کارکردگی اور بورڈ کے کردار اور اس کی تاثیر (effectiveness) پر کمپنیز ایکٹ 2017 کے سیکشن (4) 192 کے مطابق چیئر مین کا جائزہ پیش کرنے پر خوشی محسوس کرتا ہوں۔

بورڈ کی تشکیل ذیل میں دی گئی ہے:

☆ آزاد ڈائریکٹر: 03

☆ ایگزیکٹو ڈائریکٹر: 02

☆ Non ایگزیکٹو ڈائریکٹر: 02

کمپنی کے داخلی کنٹرول کو مستحکم بنانے کے لئے اور کوڈ آف کارپوریٹ گورننس 2019 کے مطابق بورڈ نے ذیلی کمیٹیاں تشکیل دی ہیں، جنہوں نے میری رائے میں کمپنی کو اسٹیئرنگ اور انتظام کرنے میں نمایاں کردار ادا کیا ہے۔ یہ کمیٹیاں کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کو یقینی بناتی ہیں اور ان میں مندرجہ ذیل کمیٹیاں شامل ہیں:

☆ آڈٹ کمیٹی

☆ انسانی وسائل اور معاوضہ کمیٹی

دنیا خطرناک وبائی مرض کوئیڈ-19 صورتحال سے نبرد آزما ہے، جس نے کسی ایک ملک کو بھی نہیں چھوڑا اور حالیہ صدی میں انسان نے اس قدر تباہی کا سامنا نہیں کیا تھا۔ وبائی مرض نے پوری دنیا میں معاشی ترقی کو نمایاں طور پر متاثر کیا ہے اور اس کے نتیجے میں ترقی یافتہ ممالک کے بہترین صحت کے نظام کا خاتمہ بھی ہوا ہے۔ مہمان نوازی، سیاحت اور سفری صنعتوں نے اس وائرس کے تیزی سے پھیلاؤ سے سب سے زیادہ اور بری طرح متاثر کیا ہے۔

وائرس کی وجہ سے پیدا ہونے والی اس مشکل اور غیر متوقع صورتحال سے نمٹنے کے لئے بورڈ نے اہم کردار ادا کیا ہے اور انہیں انتظامیہ نے آپریشنل امور سے متعلق تمام اہم باتوں سے آگاہ کر دیا تھا آزاد اور غیر ایگزیکٹو ڈائریکٹر بھی اہم فیصلوں میں برابر کے شریک رہے۔

بورڈ آف ڈائریکٹر کی جانب سے میں ایک بار پھر اپنے صارفین، ملازمین، سپلائی کنندگان، حکومت اور دیگر تمام اسٹیک ہولڈرز جنہوں نے کمپنی کی حمایت کی ہے کے لئے اپنی مخلصانہ تعریف کا اظہار کرتا ہوں۔ جیسا کہ سخت محنتی لوگ کہتے ہیں کہ مشکل وقت ہمیشہ کے لئے نہیں ہوتا۔ مجھے یقین ہے کہ ہم اس بحران سے نکلیں گے اور اپنی زندگی کے ایک بہت بڑے بحران پر قابو پانے کے لئے دوبارہ مضبوطی کے ساتھ ابھریں گے۔ برائے کرم اپنا اور اپنے اہل خانہ کی دیکھ بھال اور خیال رکھیں۔

ایس محمود بویجا

چیئر مین

کراچی: 30 ستمبر 2020ء

پاکستان ہوٹلز ڈیولپرز لمیٹڈ

اکتالیسواں سالانہ اجلاس عام کی اطلاع

- اطلاع دی جاتی ہے کہ پاکستان ہوٹلز ڈیولپرز لمیٹڈ کا اکتالیسواں سالانہ اجلاس عام درج ذیل کاروباری امور کی انجام دہی کے لئے 27 اکتوبر 2020ء کو شام 4:30 بجے کمپنی کے رجسٹرڈ آفس واقع 195/2 ریجنٹ پلازہ ہوٹل، مین شاہراہ فیصل کراچی میں منعقد ہوگا۔
- 1- 28 اکتوبر 2019ء کو منعقد ہونے والے چالیسویں سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
 - 2- 30 جون 2020ء کو ختم ہونے والے سال کی ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ آڈٹ کئے گئے مالیاتی گوشوارے کی وصولی، قبولیت اور غور و خوض کرنا۔
 - 3- 30 جون 2020ء کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کا معاوضہ کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز گلارک سن ہاؤس سعود انصاری، چارٹرڈ اکاؤنٹنٹس کی تقرری کے لیے سفارش کی ہے۔ جنہوں نے ریٹائرڈ ہونے والے آڈیٹرز میسرز تنویر عارف اینڈ کو جو مسلسل پانچ سال کی تکمیل کے بعد ریٹائر ہوئے ہیں کی جگہ آڈیٹرز کی حیثیت سے کام کرنے پر اتفاق کیا ہے۔
 - 4- چیئرمین کی اجازت کے ساتھ کوئی اور دیگر امور۔

بورڈ کے حکم سے

محمد طلحہ علی خان
کمپنی سیکریٹری

کراچی

06th اکتوبر 2020ء

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 پراسی مقرر کرنے کا حقدار ہے۔ پراسی فارم لازمی کمپنی کے سیکریٹری کے ساتھ یا آزاد شیئر رجسٹرار کے آفس میں میٹنگ سے 48 گھنٹے پہلے جمع ہوں۔
 - 2- 20 اکتوبر 2020ء سے 27 اکتوبر 2020ء (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 سرو (ایس ایم سی پرائیویٹ لمیٹڈ)، 17 ویں منزل، صائمہ ٹریڈ ٹاور۔ اے، کراچی میں 19 اکتوبر 2020ء 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 بتاریخ 15 جنوری 2003ء اور سرکل نمبر 13/2004 بتاریخ 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 بتاریخ 26 جنوری 2000ء میں دی گئیں درج ذیل ہدایات پر عمل کریں۔

(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 حستی (اینٹیٹی) 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) ... پراسی 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 ضرورت کے مطابق پراسی فارم جمع کرائیں گے۔
- (ii) پراسی 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 پراسی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسی فارم کے ساتھ جمع کرائیں گے۔
- (iv) اجلاس کے وقت پراسی 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)۔

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