



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Qualified Opinion

We have audited the annexed financial statements of **PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED** (the Corporation), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the 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 except for the matters described in the "Basis For Qualified Opinion" Section 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 account, statement of comprehensive income, 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 Corporation's affairs as at June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

1. The Corporation has not complied with the provisions of section 176 of the Companies Act, 2017, according to which the directors of a public company shall meet at least once in each quarter of a year, and section 132 of the Companies Act, 2017, according to which the Corporation shall hold its annual general meeting once at least in every calendar year not later than four months after the close of its financial year. The financial statements of the Corporation as at June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018 are also unapproved till date.
2. Capital Work in Progress amounting to Rs.258.517 million as reflected on the statement of financial position (Note 7) has neither been capitalized as operating fixed assets nor did management conduct any impairment review of the assets classified under Capital Work in Progress. In such circumstances we are unable to report whether carrying amount of the assets under Capital Work in Progress is reasonably reported.
3. Management has not maintained fixed assets register as per TR-6 of Institute of Chartered Accountants of Pakistan; not conducted physical verification of fixed assets on perpetual basis or otherwise; and has not carried out impairment review as required under International Accounting Standard 36 "Impairment of Assets". In the absence of such a review we are unable to assess whether the carrying values of property, plant and equipment are accurately stated.

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4. Impairment loss on financial assets; investments in PTDC Motels South (Private) Limited, a subsidiary company, and Malam Jabba Resorts Limited, amounting to Rs.210,000 and Rs.2,755,410 respectively, has not been recognized in these financial statements as per applicable reporting standards, as these companies have ceased their operational activities in prior years. Moreover, the related Equity Participation Reserve against shares in Malam Jabba Resorts Limited has not been adjusted.
5. Receivables amounting to Rs. 73.843 million (Note 13) from; PTDC Motels North (Private) Limited, a Subsidiary Company is overstated by an amount of Rs.34.030 million. This amount was received by the Corporation from the Government of Pakistan, in respect of Grant for the Subsidiary during the year ended June 30, 2013.
6. Tax deducted at source in prior years upto June 30, 2018 amounting to Rs.10.549 million has not been deposited till date with the Tax Authorities in accordance with the requirements of the Income Tax Ordinance, 2001, which may result in penal action by the FBR against the Corporation.
7. The Corporation has not accounted for deferred taxation which is contrary to the requirements of the International Accounting Standard 12 "Income Taxes". Moreover, deferred tax liability/asset as at June 30, 2019 cannot be quantified due to non-availability of the related records.
8. As disclosed in Note 27.1(c) to the financial statements, in the light of decision made by Supreme Court of Pakistan, the Corporation has not accounted for interest on Rs.27.692 million payable for acquisition of land at Saidu Sharif, Swat.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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 qualified opinion.

Material Uncertainty Related to Going Concern

The Corporation has accumulated loss of Rs.708.263 million as at June 30, 2019 and as at that date Corporation's current liabilities exceeded its current assets by Rs.67.943 million. Further, as a result of 18th constitutional amendment, the subject of Tourism has been devolved. PTDC Board of Directors in their 75th Board meeting has approved to transfer the asset of the Corporation to provinces on location basis. The devolution could not be materialized due to court restraints. The employees of the Corporation approached different courts for protection of their legitimate right and servant protection. These conditions indicate the existence of material uncertainty which may cast doubt about the Corporation's ability to continue as going concern. These financial statements have been prepared on going concern basis without any adjustment to assets and liabilities.

Information Other than the Financial Statements and Auditors' 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 auditors' 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Corporation's financial reporting process.

Auditors' 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 auditors' 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 Corporation'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 that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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 have identified during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters stated in the 'Basis for Qualified Opinion' Para above, we further report that in our opinion:

- a) proper books of account have been kept by the Corporation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of 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 Corporation's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).


Other Matter

The financial statement for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed modified opinion thereon vide their initial report.

The engagement partner on the audit resulting in this independent auditors' report is **Shah Saeed Naveed**.

Place: Islamabad


Date: 11 JAN 2021

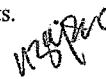

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees (Restated)	2017 Rupees (Restated)
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment				
Operating fixed assets	5	9,625,692	10,260,417	8,859,775
Tourism promotion and development projects	6	59,195,698	70,373,129	81,138,916
Capital work in progress	7	258,517,309	258,517,309	258,312,554
		327,338,699	339,150,855	348,311,245
Investments	8	41,631,202	39,569,644	49,089,029
Long term deposits	9	3,679,796	3,526,787	3,378,947
		372,649,697	382,247,286	400,779,221
CURRENT ASSETS				
Stores	10	2,243,698	2,395,437	1,435,851
Stock in trade	11	156,916	881,928	1,216,029
Trade debtors	12	8,041,861	7,720,062	4,435,257
Receivable from subsidiary companies	13	73,843,111	70,703,866	73,887,872
Loans and advances	14	25,604,212	35,416,640	31,579,978
Prepayments	15	926,963	517,230	881,000
Taxation- net	16	10,612,012	11,062,769	9,715,645
Other receivables	17	13,115,718	8,925,031	3,442,085
Cash and bank balances	18	6,505,779	27,523,408	8,179,370
		141,050,269	165,146,371	134,773,087
		513,699,966	547,393,657	535,552,308
TOTAL ASSETS				
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized: 70,000,000 ordinary shares of Rs.10/- each		700,000,000	700,000,000	700,000,000
Issued, subscribed and paid-up capital	19	170,532,640	170,532,640	170,532,640
Capital reserves	20	16,773,153	16,773,153	16,773,153
Advance against issue of shares	21	662,118,604	662,118,604	662,118,604
Accumulated loss		(708,263,339)	(686,938,967)	(670,092,703)
		141,161,058	162,485,430	179,331,694
NON CURRENT LIABILITIES				
Deferred Income - Government grants	22	-	711,458	1,422,915
Deferred liabilities	23	163,545,323	176,441,325	161,603,095
		163,545,323	177,152,783	163,026,010
CURRENT LIABILITIES				
Trade and other payables	24	143,663,508	147,492,639	149,462,157
Payable to subsidiary company	25	32,063,966	26,532,520	26,311,938
Bank overdrafts	26	33,266,111	33,730,285	17,420,509
		208,993,585	207,755,444	193,194,604
CONTINGENCIES AND COMMITMENTS				
	27	-	-	-
		513,699,966	547,393,657	535,552,308

The annexed notes from 1 to 47 form an integral part of these financial statements.


 Director BOD




 Director BOD

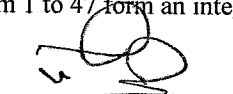
MANAGING DIRECTOR

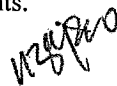
CHAIRMAN

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Sales - net	28	147,459,354	156,757,298
Cost of sales	29	(148,610,948)	(164,459,233)
Gross (loss) / profit		(1,151,594)	(7,701,935)
Operating expenses			
Administrative expenses	30	(38,759,038)	(36,491,914)
Hotels head office expenses		(10)	(140,896)
Selling expenses		(52,824)	(365,557)
Financial charges		(35,081)	(351,026)
		(38,846,953)	(37,349,393)
Grant against cost of sales and administrative expenses		-	-
Operating loss		(39,998,547)	(45,051,328)
Other income	31	24,547,303	51,183,440
Under / (overspent) grant			
Head office expenses	32	(12,182,905)	(18,774,788)
Tourism Information Centre	33	(13,756,772)	(4,563,936)
Publicity and Promotion	34	23,888,572	22,443,700
		(2,051,105)	(895,024)
Loss before taxation		(17,502,349)	5,237,088
Taxation	35	(3,822,023)	(3,552,180)
Loss after taxation		(21,324,372)	1,684,908
Earning per share- basic	36	(1.25)	0.10
Earning per share- diluted	36	(0.26)	0.02

The annexed notes from 1 to 47 form an integral part of these financial statements.


Director BOD




Chairman BOD

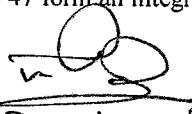
MANAGING DIRECTOR

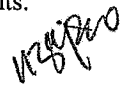
CHAIRMAN

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit /(loss) after taxation	(21,324,372)	1,684,908
Loss on staff retirement benefit obligation	-	(18,531,172)
Total comprehensive (loss) / income for the year	<u>(21,324,372)</u>	<u>(16,846,264)</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.


 Director BOD




 Chairman BOD.

MANAGING DIRECTOR

CHAIRMAN

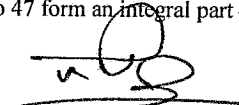
PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2019

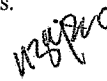
	Issued, subscribed and paid-up capital	Capital Reserves	Advance against issue of shares	Accumulated Profit/(loss)	Total
	----- Rupees -----				
Balance as at June 30, 2017	170,532,640	16,773,153	662,118,604	(663,333,125)	186,091,272
Correction of Error	-	-	-	(6,759,578)	(6,759,578)
Balance as at June 30, 2017 - Restated	170,532,640	16,773,153	662,118,604	(670,092,703)	179,331,694
Total comprehensive loss for the year	-	-	-	(16,846,264)	(16,846,264)
Balance as at June 30, 2018	170,532,640	16,773,153	662,118,604	(686,938,967)	341,817,124
Total comprehensive loss for the year	-	-	-	(21,324,372)	(21,324,372)
Balance as at June 30, 2019	170,532,640	16,773,153	662,118,604	(708,263,339)	320,492,752

Note

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The annexed notes from 1 to 47 form an integral part of these financial statements.


 Director BOD




 Director BOD.

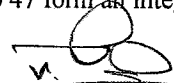
MANAGING DIRECTOR

CHAIRMAN

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	(8,812,432)	11,808,395
Profit on Savings account		2,365,377	1,872,228
Gratuity paid		(12,896,002)	(24,273,285)
Taxes paid/adjusted		(3,371,266)	(4,899,304)
Net cash (used in) / generated from operating activities		(22,714,323)	(15,491,966)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital work in progress		-	(204,755)
Addition in operating fixed assets		(1,620,185)	(3,624,063)
Sale proceeds of fixed assets		-	29,072,695
Investments encashed - net		(2,061,558)	9,519,385
Long term security deposits		(153,009)	(147,840)
Net cash generated from / (used in) investing activities		(3,834,752)	34,615,422
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from subsidiary company		5,531,446	220,582
Net cash generated from financing activities		5,531,446	220,582
Net increase in cash and cash equivalents		(21,017,629)	19,344,038
Cash and cash equivalents at the beginning of the year		27,523,408	8,179,370
Cash and cash equivalents at the end of the year		6,505,779	27,523,408

The annexed notes from 1 to 47 form an integral part of these financial statements.


 Director BOD

 
 Director BOD.

MANAGING DIRECTOR

CHAIRMAN

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Pakistan Tourism Development Corporation Limited was incorporated on March 30, 1970 under the repealed Companies Act, 1913 (now the Companies Act, 2017) as a Public Corporation Limited by shares. The registered office of the Corporation is in Flashman's Hotel, the Mall, Rawalpindi. The principal objectives of the Corporation is the promotion and development of tourism industry in Pakistan and to carry on business connected therewith in Pakistan and elsewhere.

The registered office of the Corporation is in Flashman's Hotel, the Mall, Rawalpindi.

99.75% shares of the Corporation are held by the Federal Government of Pakistan.

The Corporation owns and controls the following subsidiaries:

Name of subsidiaries	Percentage of Issued, Subscribed and paid up capital held
Pakistan Tours (Private) Limited	100%
PTDC Motels North (Private) Limited	100%
PTDC Motels South (Private) Limited	100%
Asso	86.81%

- 1.2 The Corporation has accumulated loss of Rs. 680.179 million as at June 30, 2018 and as at that date Company's current liabilities exceeded its current assets by Rs. 35.849 million. Further, as a result of 18th constitutional amendment, the subject of Tourism has been devolved. PTDC Board of Directors in their 75th Board meeting has approved to transfer the assets of the Corporation to provinces on location basis. The devolution could not be materialized due to court restraints. The employees of the corporation approached different courts for protection of their legitimate right and servant protection. These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as going concern.

These financial statements have been prepared on going concern basis without any adjustment to assets and liabilities. The management is confident of improving profitability through streamlining the operations of the Corporation.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

- 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost conventions, except for certain financial instruments, which are carried at fair values.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to exercise its judgment in the process of applying the Corporation's accounting policies and use of certain critical accounting estimates.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Corporation's functional and presentation currency.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments that are effective in current year but not relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
IAS 7	Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	January 01, 2017

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs

IFRS 12	Disclosure of Interests in Other Entities	January 01, 2017
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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.2 Amendments not yet effective

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

	Effective date (annual periods beginning on or after)
Conceptual framework for Financial reporting 2018 - Original Issue	March 2018
IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 7 Financial Instruments : Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	Applies when IFRS 9 is applied
IFRS 9 Financial Instruments - Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	January 01, 2018
IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.	January 01, 2018
IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	indefinitely
IAS 19 Employee benefits - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures	January 01, 2019
IAS 39 Financial Instruments: Recognition and Measurements-Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	Applies when IFRS 9 is applied
IAS 40 Investment Property - Amendments to clarify transfers of property to, or from, investment property	January 01, 2018

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

The Annual Improvements to IFRSs that are effective from the dates mentioned below against respective standards:

	Effective date (annual periods beginning on or after)
Annual Improvements to IFRSs (2014 – 2016) Cycle:	
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 01, 2018
IAS 28 Investments in Associates and Joint Ventures	January 01, 2018
Annual Improvements to IFRSs (2015 – 2017) Cycle:	
IFRS 3 Business Combinations	January 01, 2019
IFRS 11 Joint Arrangements	January 01, 2019
IAS 12 Income Taxes	January 01, 2019
IAS 23 Borrowing Costs	January 01, 2019

3.3 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned below against the respective standard:

IFRS 9 Financial Instruments	July 01, 2018
IFRS 15 Revenue from Contracts with Customers	July 01, 2018
IFRS 16 Leases	January 1, 2019

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 14 Regulatory Deferral Accounts
IFRS 17 Insurance Contracts

The effects of IFRS 9 - Financial Instruments, IFRS 15 - Revenues from Contracts with Customers and IFRS 16 - Leases are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefits

Defined benefit plan

The Corporation operates an unfunded gratuity scheme for those employees who have completed a qualifying five years of service under PTDC - HO and one year of service under Flashman hotel. Provision is made annually to cover the obligation under this scheme.

Defined contribution plan

The Corporation operates a provident fund scheme for all its employees. The Corporation and employees make equal monthly contribution to the fund.

4.2 Government grants

Monetary grants received from the Government of Pakistan in respect of the planning and development, maintenance of Tourist Information Centres and Publicity & Promotion are treated as revenue grants. The net (unspent)/overspent amount of the grant under/over the related costs are charged to current year's income.

Monetary grants received from the Government of Pakistan in respect of development projects are treated as equity in the Corporation.

Monetary grants received from Government of Pakistan related to assets are recognized as deferred income. It is amortised to income for the year to the extent of depreciation expenses related to those assets charged to profit and loss.

4.3 Foreign exchange

Foreign currency transactions are recorded in Rupees at the exchange rate ruling on the transaction date. All assets and liabilities in foreign currencies are translated into Rupees at the exchange rate prevailing on the balance sheet date. Exchange gains and losses are included in the current year's income.

4.4 Taxation

Current

The Corporation accounts for current taxation on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, in accordance with the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are 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, unused tax losses and tax credits can be utilized.

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4.5 Property plant and equipment

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at cost. Cost in relation to fixed assets signifies historical cost.

Depreciation is charged to income by applying the straight line method. Full month's depreciation is charged on additions while no depreciation is charged on disposals during the month.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised. Gains or losses on disposal of assets, if any, are taken to profit and loss account.

4.6 Capital work-in-progress

Capital work-in-progress are stated at cost and consist of expenditure incurred, advances made and other directly attributable costs in respect of operating fixed assets in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

4.7 Leased

Assets subject to finance lease are recorded at lower of present value of minimum lease payments at the inception of lease term and their fair value on that date.

Assets under finance lease are depreciated over the useful lives of the assets on straight line method at rates specified in the relevant note. Financial charges and depreciation of leased hold assets are charged to income.

4.8 Impairment

The carrying amount of the Corporation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group.

The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

4.9 Investments

The Corporation classifies its investments under securities at held to maturity and available for sale categories. Investment in securities are recognised on a trade date basis and are initially measured at cost.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Corporation has the positive intent and ability to hold to maturity and are measured at cost, less any impairment loss recognised to reflect irrecoverable amounts.

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These represent investments in Defence Saving Certificates and Term Deposit Receipts (TDR's) which are stated at amortized cost with any resulting gain or loss recognized directly in Profit and Loss account. These are recognized/derecognized by the Corporation on the date of purchase/sale of investments.

Investments available for sale

These are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair value. For listed securities, fair value is determined on the basis of period end bid prices obtained from stock exchange quotations, while investment in equity instruments that do not have a quoted market price in an active market whose fair value cannot be reliably measured are measured at cost.

All purchases and sales of investments are recognized on the trade date which is the date that the Corporation commits to purchase or sell the investment. Cost of purchase includes transaction cost.

Changes in carrying value are recognized in equity until the investment is sold or determined to be impaired at which time the cumulative gain or loss previously recognized in equity is included in profit and loss account for the year.

Investments in subsidiary

Investments in subsidiary companies is carried at cost. Provision is made for permanent impairment in value, if any.

4.10 Stores and stocks

Useable stores and stocks are valued at moving average cost while items considered obsolete are carried at nil value.

4.11 Stock in trade

These are valued at the lower of average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make a sale.

4.12 Trade debtors

Trade debts are recognized and carried at original invoiced amount which is fair value of the consideration to be received in future. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.14 Provisions

A provision is recognized in the balance sheet when the Corporation has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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4.15 Revenue recognition

Revenue is recognized at the invoiced value of goods sold and services provided to the customers.

Dividend income is recognized as income on actual receipt basis.

Profit on bank deposits is recognized on accrual basis.

4.16 Segment reporting

A segment is a distinguishable component within the Corporation that is engaged in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.17 Financial instruments

All the financial assets and liabilities are recognized when the Corporation becomes party to the contractual provisions of the instruments. The Corporation de-recognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.18 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

4.19 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet date at cost. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. In balance sheet, finances under mark-up arrangements are included in current liabilities.

4.20 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Corporation functional and presentation currency.

4.21 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted on accrual basis.

Borrowing costs are charged to profit and loss account in the period in which these are incurred.

4.22 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Corporation has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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4.23 Significant accounting judgments and critical accounting estimates/assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

- exercise its judgment in process of applying the Corporation's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

The management has exercised judgment in applying Corporation's accounting policies for classification of Post Employment Benefits as Defined Benefits Plan and Defined Contribution Plan (refer note 4.1 and note 23) that have the most significant effects on the amount recognized in the financial statements.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) Income taxes

The Corporation takes into account relevant provisions of the prevailing income tax laws while providing for current and deferred taxes as explained in note 4.4 of these financial statements.

b) Property, plant and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

c) Contingencies

The Company reviews the status of all the legal cases on regular basis. Based on expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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5 OPERATING FIXED ASSETS

Description	Land - free hold	Building on free hold land	Building on lease hold land	Plant and machinery	Furniture and fixture	Computers	Vehicles and boats	Electrical, gas appliances and installations	Equipments	Linen, crockery and cutlery	Total
Year ended June 30, 2019											
Opening net book value (NBV)	2,801,943	483	1,020,297	9,249	2,092,135	61,548	2,047,735	1,048,693	1,178,331	3	10,260,417
Additions (at cost)	-	-	-	-	595,050	176,235	-	402,300	446,600	-	1,620,185
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(42,484)	(1,425)	(320,233)	(46,066)	(1,410,057)	(178,963)	(255,682)	-	(2,254,910)
Closing net book value (NBV)	2,801,943	483	977,813	7,824	2,366,952	191,717	637,678	1,272,030	1,369,249	3	9,625,692
Year ended June 30, 2018											
Cost	2,801,943	1,714,402	2,408,442	2,173,105	5,210,381	3,600,011	24,577,777	6,705,879	4,097,978	143,559	53,433,477
Accumulated depreciation	-	(1,713,919)	(1,430,629)	(2,165,281)	(2,843,429)	(3,408,294)	(23,940,099)	(5,433,849)	(2,728,729)	(143,556)	(43,807,785)
Net book value (NBV)	2,801,943	483	977,813	7,824	2,366,952	191,717	637,678	1,272,030	1,369,249	3	9,625,692
Year ended June 30, 2018											
Opening net book value (NBV)	2,801,943	483	1,062,809	-	115,524	73,927	3,457,792	655,427	691,867	3	8,859,775
Additions (at cost)	-	-	-	9,500	2,066,242	-	-	874,889	673,432	-	3,624,063
Disposals during the year	-	-	-	-	-	-	-	(243,607)	-	-	(243,607)
Depreciation charge	-	-	(42,512)	(251)	(89,631)	(12,379)	(1,410,057)	(238,016)	(186,968)	-	(1,979,814)
Closing net book value (NBV)	2,801,943	483	1,020,297	9,249	2,092,135	61,548	2,047,735	1,048,693	1,178,331	3	10,260,417
Year ended June 30, 2018											
Cost	2,801,943	1,714,402	2,408,442	2,173,105	4,615,331	3,423,776	24,577,777	6,303,579	3,651,378	143,559	51,813,292
Accumulated depreciation	-	(1,713,919)	(1,388,145)	(2,163,856)	(2,523,196)	(3,362,228)	(22,530,042)	(5,254,886)	(2,473,047)	(143,556)	(41,552,875)
Net book value (NBV)	2,801,943	483	1,020,297	9,249	2,092,135	61,548	2,047,735	1,048,693	1,178,331	3	10,260,417

5.1 Depreciation has been allocated to as follows:

Note	2019 Rupees	2018 Rupees
29	497,052	436,412
32	1,716,931	1,507,468
33	1,139	1,000
34	39,788	34,934
	<u>2,254,910</u>	<u>1,979,814</u>

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6 TOURIST PROMOTION AND DEVELOPMENT PROJECTS

Description	Rupees										Total	
	Land	Buildings	Furniture and fixture	Blankets	Carpet and curtains	Linen and crockery	Plant and machinery	Vehicles	Tents	Office equipment		
Year ended June 30, 2019												
Net carrying value basis												
Opening net book value (NBV)	28,046,442	42,259,960	66,591	20	28	32	47	4	3	2	2	70,373,129
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge (6.1)	-	(11,110,878)	(66,554)	-	-	-	-	-	-	-	-	(11,177,432)
Closing net book value (NBV)	28,046,442	31,149,083	37	20	28	32	47	4	3	2	2	59,195,698
Gross carrying value basis												
Cost	28,046,442	312,100,270	19,772,989	2,405,678	3,684,591	6,219,188	11,282,817	8,128,598	511,035	441,975	2	392,593,583
Accumulated depreciation	-	(280,951,188)	(19,772,952)	(2,405,658)	(3,684,563)	(6,219,156)	(11,282,770)	(8,128,594)	(511,032)	(441,973)	2	(333,397,886)
Net book value (NBV)	28,046,442	31,149,083	37	20	28	32	47	4	3	2	2	59,195,698
Year ended June 30, 2018												
Net carrying value basis												
Opening net book value (NBV)	28,403,942	52,601,689	133,146	21	28	33	48	4	3	2	2	81,138,916
Disposals during the year	(357,500)	(1)	(1)	(1)	-	(1)	(1)	-	-	-	-	(357,505)
Depreciation charge (6.1)	-	(10,341,728)	(66,554)	-	-	-	-	-	-	-	-	(10,408,282)
Closing net book value (NBV)	28,046,442	42,259,960	66,591	20	28	32	47	4	3	2	2	70,373,129
Gross carrying value basis												
Cost	28,046,442	312,100,270	19,772,989	2,405,678	3,684,591	6,219,188	11,282,817	8,128,598	511,035	441,975	2	392,593,583
Accumulated depreciation	-	(269,840,310)	(19,706,398)	(2,405,658)	(3,684,563)	(6,219,156)	(11,282,770)	(8,128,594)	(511,032)	(441,973)	2	(322,220,454)
Net book value (NBV)	28,046,442	42,259,960	66,591	20	28	32	47	4	3	2	2	70,373,129
Depreciation rate % per annum	0	5	10	20	20	20	15	20	20	20	20	<i>WSP</i>

PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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7 CAPITAL WORK IN PROGRESS

Description	As at 01-07- 2018	Additions / Adjustments during the year	Transferred to Operating Fixed Assets	As at 30-06- 2019
	Rupees	Rupees	Rupees	Rupees
Land	42,673,323	-	-	42,673,323
Civil works, landscaping, lease money and rent	180,341,552	-	-	180,341,552
Carpets, curtains, blanket and bed sheets	523,923	-	-	523,923
Plant and machinery	122,721	-	-	122,721
Furniture and fixture and office equipment	1,862,820	-	-	1,862,820
Consultancy and professional fee etc	18,625,390	-	-	18,625,390
Miscellaneous	3,200,634	-	-	3,200,634
Advances to suppliers	21,293,156	-	-	21,293,156
	268,643,519	-	-	268,643,519
Less:				
Provision against abandoned projects	(9,280,484)	-	-	(9,280,484)
Provision against completed projects	(845,725)	-	-	(845,725)
	(845,725)	-	-	(10,126,209)
Total Rupees - 2019	258,517,309	-	-	258,517,309
Total Rupees - 2018	258,312,554	204,755	-	258,517,309

7.1 These represent various tourism development and promotion projects in progress throughout the country. These mainly comprise development and construction of tourist resorts, motels and hotels, camping and trekking facilities and other places and facilities of tourist attractions.

7.2 Advances to suppliers includes Rs. 2,494,375 (2018: Rs. 2,494,375) being payment of 65% advance made in 1993 to M/s Auto Trading Centre for the supply of five vehicles which have not yet been delivered to PTDC.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
8 INVESTMENTS			
Investments in subsidiary companies	8.1	5,298,240	5,298,240
Held to maturity	8.2	22,827,551	20,765,993
Available for sale	8.3	<u>13,505,411</u>	<u>13,505,411</u>
		<u>41,631,202</u>	<u>39,569,644</u>
8.1 Investment in Subsidiary companies-unquoted			
Pakistan Tours (Private) Limited 50,000 ordinary shares of Rs.10 each fully paid up in cash		500,000	500,000
PTDC Motels North (Private) Limited 29,200 ordinary shares of Rs.10 each fully paid up in cash		292,000	292,000
PTDC Motels South (Private) Limited 21,000 ordinary shares of Rs.10 each fully paid up in cash		210,000	210,000
Associated Hotels of Pakistan Limited 405,000 ordinary shares of Rs.10 each fully paid up in cash		<u>4,296,240</u>	<u>4,296,240</u>
		<u>5,298,240</u>	<u>5,298,240</u>
8.2 Held to maturity			
Term deposit receipts	8.2.1	<u>22,827,551</u>	<u>20,765,993</u>

8.2.1 This represents investment in term deposit receipts, having face value amounting to Rs. 18.9 million (2018: Rs. 18.9 million) with maturity after five years from the date of investment and carrying markup at rates ranging from 8.99% to 11.87% (2018: 8.99% to 11.87%) per annum. These term deposits receipts have been hypothecated with the Habib Bank Limited against the issuance of bank guarantee to Excise and Taxation Department against the liquor sale.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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	Note	2019 Rupees	2018 Rupees
8.3 Available for sale			
Related parties-unquoted			
Resources and Engineering Management Corporation (Private) Limited 50,000 ordinary shares of Rs. 10 each fully paid up in cash 16,125 bonus shares of Rs.10 each Cost: Rs. 500,000 (2017: 500,000) Book Value: nil (2017: nil)		-	-
Malam Jabba Resorts Limited 300,000 ordinary shares of Rs.10 each fully paid up in cash Cost: Rs. 3,000,000 (2017: Rs.3,000,000)		2,755,410	2,755,410
Tourism Promotion Services (Pakistan) Limited 1,075,000 ordinary shares of Rs.10 each fully paid up in cash Cost: Rs. 10,750,000 (2017: Rs.10,750,000)		10,750,001	10,750,001
Tourist Village Limited 180,000 ordinary shares of Rs. 10 each fully paid up in consideration of land Cost: Rs. 1,800,000 (2017: Rs. 1,800,000) Book value: nil (2017: nil)		-	-
		13,505,411	13,505,411
9 LONG TERM DEPOSITS			
Deposits	9.1	3,679,796	3,526,787
9.1 It includes an amount in respect of court case filed against PTDC by Farooq Ahmad Shah, ex - employee of flashman's hotel, for his unpaid dues amounting to Rs. 2,233,134. The case was pending with Supreme Court of Pakistan. However subsequent to year ending 30 June 2019 the case has been resolved and decision is made in the favour of the corporation.			
		2019 Rupees	2018 Rupees
10 STORES			
Cutlery and silverware		540,191	757,439
Crockery and glassware		339,185	425,326
Linen and napery		1,224,499	1,105,479
Kitchen utensils and equipment		139,823	107,193
		2,243,698	2,395,437
11 STOCK IN TRADE			
Liquor stock		156,916	881,928
		156,916	881,928

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
12 TRADE DEBTORS			
Unsecured			
Considered good		8,041,861	7,720,062
Considered doubtful		1,882,975	1,822,975
		9,924,836	9,543,037
Provision for doubtful debts		(1,882,975)	(1,822,975)
		8,041,861	7,720,062
13 RECEIVABLE FROM SUBSIDIARY COMPANIES			
Unsecured			
Considered good			
PTDC Motels North (Private) Limited		73,843,111	70,703,866
		73,843,111	70,703,866
14 LOANS AND ADVANCES		2019	2018
		Rupees	Rupees
			(Restated)
Unsecured			
Advances to staff - considered good		20,999,281	28,022,050
Advances to staff - considered doubtful		1,893,442	1,893,442
		22,892,723	29,915,492
Provision for advances		(1,893,442)	(1,893,442)
		20,999,281	28,022,050
Advances to suppliers		4,604,931	7,394,590
		25,604,212	35,416,640
15 PREPAYMENTS			
Prepayments		926,963	517,230
		926,963	517,230
16 TAXATION- NET			
Opening balance		15,744,563	12,192,383
Provision for taxation - Current		3,822,023	3,552,180
Tax refund adjusted during the year		(15,744,563)	-
Closing balance		3,822,023	15,744,563
Less: Total tax deducted at source		14,434,035	26,807,332
		10,612,012	11,062,769

16.1 Corporation has filed returns of total income for the tax years 2013 to 2018 on the basis of un-audited accounts. Moreover, income tax return for the year 2012 has not been filed till date.

	Note	2019 Rupees	2018 Rupees
17 OTHER RECEIVABLES			
Unsecured			
Considered good			
Rental income receivable	17.1	12,760,068	6,995,080
Others		355,650	1,929,951
Other receivables		13,115,718	8,925,031
		13,115,718	8,925,031

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NOTES TO THE FINANCIAL STATEMENTS
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17.1 This includes Rs. 716,083 receivable from Usman Estates, a defaulter, on account of office rent. No provision has been created against the said amount as management has retained office equipment and furniture owned by the Usman Estate. However, no valuation of the office equipment and furniture has been carried out till date.

	Note	2019 Rupees	2018 Rupees
18 CASH AND BANK BALANCES			
Cash in hand		4,030,570	3,301,784
Cash at bank:			
Current accounts		508,146	477,141
Saving accounts	18.1	1,967,063	23,744,483
		<u>2,475,209</u>	<u>24,221,624</u>
		<u>6,505,779</u>	<u>27,523,408</u>

18.1 This carry markup at rates ranging from 1.95 % to 5.45 % (2018: 2.45 % to 5.35 %) per annum.

	Note	2019 Rupees	2018 Rupees
19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
2019			
2018			
No. of ordinary shares			
<u>17,053,264</u>			
<u>17,053,264</u>			
Ordinary share of Rs.10 each fully paid in cash		<u>170,532,640</u>	<u>170,532,640</u>

20 CAPITAL RESERVES			
Equity participation fund	20.1	13,750,000	13,750,000
Capital fund	20.2	<u>3,023,153</u>	<u>3,023,153</u>
		<u>16,773,153</u>	<u>16,773,153</u>

20.1 The Equity Participation Fund represents the face value of shares in Malam Jabba Resorts Limited and Tourism Promotion Services (Pakistan) Limited handed over to the Corporation by Government of Pakistan.

20.2 Capital Fund represents the value of assets transferred to Pakistan Tourism Development Corporation Limited by the Tourism Department of the Government of Pakistan.

	Note	2019 Rupees	2018 Rupees
21 DEPOSIT FOR SHARES			
Deposit for shares	21.1	<u>662,118,604</u>	<u>662,118,604</u>

21.1 Deposit for shares represents the grants received from Government of Pakistan for capital expenditure on specified capital projects. The grants so received shall be applied for the issuance of shares to the Government.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
22 DEFERRED INCOME -GOVERNMENT GRANTS			
Opening balance		711,458	1,422,915
Less: Amortization to income	22.1	<u>(711,458)</u>	<u>(711,457)</u>
Balance at end of the year		<u><u>-</u></u>	<u><u>711,458</u></u>

22.1 This amortization relates to the grant received in 2015 from Government of Pakistan utilized for purchase of vehicles for head office with the approval of ministry and the board of directors.

	Note	2019 Rupees	2018 Rupees
23 DEFERRED LIABILITIES			
Provision for gratuity	23.1	<u>163,545,323</u>	<u>176,441,325</u>
23.1 Movement in Present value of defined benefit obligation:			
Present value of defined benefit obligation as on July 01,		176,441,325	161,603,095
Charged to statement of profit or loss	23.2	-	20,580,343
Benefits paid during the year		(12,896,002)	(24,273,285)
Recognised in other comprehensive income	23.3	-	18,531,172
Present value of defined benefit obligation as on June 30,		<u>163,545,323</u>	<u>176,441,325</u>

23.2 Charged to statement of profit or loss for the year is as follows:

Service cost	-	7,128,362
Interest cost	-	13,451,981
	<u>-</u>	<u>20,580,343</u>

23.3 Recognised in other comprehensive income for the year is as follows:

Actuarial losses on remeasurement	<u>-</u>	<u>18,531,172</u>
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	2019 % per anum	2018 % per anum
23.4 Principal Actuarial Assumptions		

Discount rate	-	9.00
Expected rate of eligible salary increase in future years	-	9.00

23.5 The calculation of the defined benefit obligations sensitive to the assumption set out above. The following table summaries how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in the respective assumptions by one percent.

	Increase in Assumption 2019 Rupees	Increase in Assumption 2018 Rupees
Discount rate	-	166,584,907
Salary increase	-	187,808,153

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	Note	2019 Rupees	2018 Rupees
24 TRADE AND OTHER PAYABLES			
Sundry creditors		13,186,565	4,164,129
Accrued liabilities	24.1	84,188,857	81,958,196
Advances from customers		183,457	1,636,438
Security deposits		12,202,193	11,402,515
Payable against acquisition of land		-	4,511,365
Advance for sale of land		2,601,000	2,601,000
Income tax withheld		2,978,014	4,015,959
Sales tax payable		6,388,589	8,108,834
Provident fund payable		19,139,329	24,951,295
Payable to Ministry of Tourism	24.2	2,574,424	2,574,424
Provision for uniform expense		51,224	771,224
Other payables		169,856	797,260
		<u>143,663,508</u>	<u>147,492,639</u>

24.1 This mainly includes unpaid salaries of employees of the Corporation from Oct 2012 to June 2013 onwards due to non receipt of sufficient Government grants against salaries. However, during the year a portion of unpaid salaries have been paid amounting to Rs.16.107 million.

24.2 Ministry of Tourism had placed an amount of Rs. 39.878 million in accounts of PTDC for clearing its liabilities pertaining to the Visit Pakistan Year 2007, under clear instruction to be disposed off after proper recommendation from Ministry. Out of this amount Rs. 37.304 million has been paid in prior years.

	Note	2019 Rupees	2018 Rupees
25 PAYABLE TO SUBSIDIARY COMPANY			
Pakistan Tours (Private) Limited		10,101,690	5,374,215
Associated Hotels of Pakistan Limited		21,962,276	21,158,305
		<u>32,063,966</u>	<u>26,532,520</u>

26 BANK OVERDRAFTS			
Temporary overdraft	26.1	<u>33,266,111</u>	<u>33,730,285</u>

26.1 This represents temporary overdraft due to issuance of unrepresented cheques on the balance sheet date.

27 CONTINGENCIES AND COMMITMENTS

27.1 CONTINGENCIES

- a) The Corporation is contingently liable for a claim of Rs.2.1 million (2018: Rs. 2.1 million) not acknowledged by the Corporation in respect of consultancy charges.
- b) Cantonment Board Rawalpindi has claimed vide bill No. 116781 dated August 13, 2015 amounting to Rs.19.012 million in respect of an assessment of property tax assessed by Cantonment Board Rawalpindi. The Corporation in this regard has filed an appeal before Director, Military Lands and Cantt, Rawalpindi.

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- c) Two cases were filed against PTDC head office vide case number 1/4 on March 03, 1998 and case number 2/4 on February 26, 1998 by Mr. Mian Gul Aurangzeb and Mr. Muhammad Afzal Khan (late) respectively, local residents of Saidu Sharif, Swat in honorable Civil Court Saidu Sharif, Swat under section 18 of Land Acquisition Act for short payment made for land acquired for PTDC Motel, Saidu Sharif, Swat.

The Honorable Civil Court Saidu Sharif, Swat has decided the cases on July 07, 2008 in favour of the applicants and has directed PTDC to pay the differential amount of Rs. 20,140,292 to applicant Mr. Mian Gul Aurangzeb and amount of Rs. 7,552,614 to the applicant Mr. Muhammad Afzal (late) both inclusive of compound interest at 8% per annum. PTDC filed appeal in the High Court, Peshawar (which was transferred to High Court branch, Saidu Sharif, Swat). The Honorable High Court retained the decision of Civil Court. Further, PTDC's appeal was rejected in the Honorable Supreme Court in the first hearing. The legal counsel of PTDC is of the view that interest should be charged at 6% instead of 8% and should be from the date of possession not from the date of filing of case i-e March 03, 1998 and February 26, 1998 and for this purpose PTDC has filed application with Civil Court, Saidu Sharif, Swat which is in process.

In said amount determined by courts the cost of land is Rs. 4,511,365 which has been recognized in the year 2015 as possession of land is received during the year ended June 30, 2015. The remaining amount is interest which is still under litigation and has not been recognized in the financial statements. The management is hopeful that the case will be decided in its favor.

27.2 COMMITMENTS

The Corporation has no commitments as at June 30, 2019 (2018: Nil).

	Note	2019 Rupees	2018 Rupees
28 SALES - net			
Rooms - rental income		39,229,426	36,430,875
Less: Commission and discount		<u>(17,200)</u>	<u>(15,000)</u>
		39,212,226	36,415,875
Sale of food and beverages		108,245,466	120,338,779
Telephone calls income		<u>1,662</u>	<u>2,644</u>
		<u><u>147,459,354</u></u>	<u><u>156,757,298</u></u>
29 COST OF SALES			
Food and beverages		70,730,116	79,873,333
Salaries, wages and other benefits	29.1	61,536,377	62,508,423
Heat, light and power		8,104,825	10,622,916
Repair and maintenance		4,014,226	6,277,707
Catering charges		-	642,700
Linen and room supplies		1,636,377	1,962,343
Laundry and dry-cleaning		544,183	552,129
Rent, rates and taxes		946,453	1,046,675
Depreciation	5.1	497,052	436,412
Lease money		327,000	327,000
License fee		225,000	150,000
Telephone expenses		<u>49,339</u>	<u>59,595</u>
		<u><u>148,610,948</u></u>	<u><u>164,459,233</u></u>

- 29.1 Salaries, wages and other benefits include Rs. 4.145 million (2018 : Rs. 7.132 million) in respect of staff retirement benefits.

M. Afzal Khan

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30 ADMINISTRATIVE EXPENSES	Note	2019 Rupees	2018 Rupees
Salaries, wages and other benefits	30.1	35,099,039	30,919,824
Legal and professional charges		593,950	636,740
Vehicle running		831,270	1,892,696
Repair and maintenance		301,260	488,405
Printing and stationery		380,530	290,777
Travelling and conveyance		12,200	96,210
Postage, telephone and telegrams		182,477	183,937
Entertainment		407,349	1,088,573
Audit fee		129,143	40,663
Provision for bad debts		60,000	60,000
Miscellaneous		761,820	794,089
		<u>38,759,038</u>	<u>36,491,914</u>

30.1 Salaries, wages and other benefits include Rs. 1.528 million (2018: Rs. 2.244 million) in respect of staff retirement benefits.

31 OTHER INCOME	Note	2019 Rupees	2018 Rupees
Rental income		19,906,368	17,760,897
Profit on saving accounts		2,365,377	1,056,344
Accrued interest on investment		-	1,872,228
Dividend Income		1,370,625	1,370,625
Room Service Charges		-	543,875
Income from swimming pool		-	3,500
Sale of priced publication		1,520	2,540
Gain on sale of fixed assets		-	27,146,690
Miscellaneous		903,413	1,426,741
		<u>24,547,303</u>	<u>51,183,440</u>

32 HEAD OFFICE EXPENSES

Government grants amortized during the year	22	711,458	711,457
Expenditure incurred			
Salaries, wages and other benefits		-	1,890,260
Depreciation - operating fixed assets	5.1	1,716,931	1,507,468
Depreciation - tourism promotion and development projects	6	11,177,432	10,408,282
Vehicle running		-	1,858,976
Postage, telephone and telegrams		-	639,812
Rent, rates and taxes		-	271,884
Travelling and conveyance		-	456,186
Printing and stationery		-	222,719
Local Advertisement		-	393,970
Repair and maintenance		-	204,411
Legal and professional charges		-	1,167,400
Heat, light and power		-	9,094
Entertainment		-	96,567
Audit fee		-	-
Newspaper & periodicals		-	10,966
Vehicle tax		-	114,354
Miscellaneous		-	233,896
		<u>12,894,363</u>	<u>19,486,245</u>
Overspent grants		<u>(12,182,905)</u>	<u>(18,774,788)</u>

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32.1 This represents an amount of grant received placed in PTDC's assignment account. On non-utilization of such funds this amount becomes lapsed.

32.2 Remuneration to managing director and directors	Note	2019 Rupees	2018 Rupees
Managing Director			
Basic pay		313,350	-
Housing ceiling		250,680	-
Utilities and Allowances		377,183	-
		<u>941,213</u>	<u>-</u>

33 TOURIST INFORMATION CENTRE

Government grants received during the year 120,400,000 152,657,000

Expenditure incurred

Salaries, wages and other benefits	33.1 & 44.1	125,354,036	153,011,759
Rent, rates and taxes		5,203,099	1,402,976
Depreciation	5.1	1,139	1,000
Vehicle running		808,615	482,265
Postage, telephone and telegrams		205,584	253,391
Printing and stationary		34,714	152,836
Heat, light and power		768,063	173,395
Travelling and conveyance		757,921	409,265
Newspaper and periodicals		42,346	16,350
Entertainment		-	-
Audit fee		140,000	79,669
Bank charges		1,642	11,205
Legal and professional charges		33,396	286,025
Hajj expenses		-	559,281
Miscellaneous		806,217	381,519
		<u>134,156,772</u>	<u>157,220,936</u>
Underspent / (Overspent) grants		<u>(13,756,772)</u>	<u>(4,563,936)</u>

33.1 Salaries, wages and other benefits include Rs. 4.043 million (2018: Rs. 16.275 million) in respect of staff retirement benefits.

34 PUBLICITY AND PROMOTION	Note	2019 Rupees	2018 Rupees
Government grants received during the year		101,935,440	105,300,000
Expenditure incurred			
Salaries, wages and other benefits	34.1	69,145,982	77,105,077
Depreciation	5.1	39,788	34,934
Promotional expenses		1,637,078	2,921,751
Vehicle running		1,783,353	398,345
Postage, telephone and telegrams		613,924	165,341
Printing and stationary		397,769	138,955
Heat, light and power		2,320,759	43,548
Repair and maintenance		299,170	125,000
Travelling and conveyance		566,970	482,370
Newspaper and periodicals		59,007	73,645
Audit fee		140,000	79,668
Bank Charges		2,299	13,841
Legal and professional charges		476,616	513,425
Miscellaneous		564,153	760,400
		<u>78,046,868</u>	<u>82,856,300</u>
Under spent grants		<u>23,888,572</u>	<u>22,443,700</u>

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34.1 Salaries, wages and other benefits include Rs. 2,191 million (2018: Rs. 9,719 million) in respect of staff retirement benefits.

	Note	2019 Rupees	2018 Rupees
35 TAXATION			
Provision for taxation			
- Current		3,822,023	3,552,180
36 EARNING / (LOSS) PER SHARE			
Net profit for the year after taxation		(21,324,372)	1,684,908
Number of ordinary shares outstanding during the year		17,053,264	17,053,264
Deposit for shares convertible into ordinary shares		66,211,860	66,211,860
Earning per share (basic)		(1.25)	0.10
Earning per share (diluted)		(0.26)	0.02
37 CASH GENERATED FROM OPERATIONS			
Loss before taxation		(17,502,349)	5,237,088
Adjustments for non cash charges and other items:			
Depreciation		2,254,910	1,979,814
Gain on sale of assets		-	(28,122,986)
Depreciation promotion and development projects		11,177,432	10,408,282
Deferred Income -Government grants		(711,457)	(711,457)
Profit on investments		(2,365,377)	(1,872,228)
Provision for gratuity		-	20,580,343
Prior Period Adjustment		-	-
Working capital changes	37.1	(1,665,591)	4,309,539
		8,689,917	6,571,307
Cash used in operations		(8,812,432)	11,808,395
37.1 Working capital changes			
Decrease in current assets			
Stores		151,739	(1,308,183)
Stock in trade		725,012	334,101
Trade debtors - unsecured		(321,799)	(3,284,805)
Receivable from subsidiary companies		(3,139,245)	3,184,006
Loans and advances		9,812,428	(3,836,662)
Deposits and prepayments		(409,734)	363,770
Other receivables		(4,190,687)	(5,482,946)
		2,627,714	(10,030,719)
Increase in current liabilities			
Trade and other payables		(3,829,131)	(1,969,518)
Bank overdrafts		(464,174)	16,309,776
		(1,665,591)	4,309,539

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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38 STATEMENT OF OPERATING RESULTS OF THE SEGMENTS

Particulars	2019				2018
	PTDC Head Office Rawalpindi	Head Office Hotels Rawalpindi	Flashmans' Hotel Rawalpindi	Corporation's Total	Corporation's Total
	----- Rupees -----				
Sales	-	-	147,459,354	147,459,354	156,757,298
Cost of sales	-	-	(148,610,948)	(148,610,948)	164,459,233
Gross profit	-	-	(1,151,594)	(1,151,594)	(7,701,935)
Operating expenses					
Administrative	-	-	(38,759,038)	(38,759,038)	(36,491,914)
Hotels head office expenses	-	(10)	-	(10)	(140,896)
Selling	-	-	(52,824)	(52,824)	(365,557)
Financial charges	-	-	(35,081)	(35,081)	(351,026)
	-	(10)	(38,846,943)	(38,846,953)	(37,349,393)
Grant against cost of sales and administrative expenses	-	-	-	-	-
Operating (loss) / profit	-	(10)	(39,998,537)	(39,998,547)	(45,051,328)
Other income	1,793,511	192	22,753,600	24,547,303	51,183,440
(Overspent) / unspent Grants					
Head Office Expenses	(12,182,905)	-	-	-	(18,774,788)
Tourist Information Centre	(13,756,772)	-	-	-	(4,563,936)
Publicity and Promotion	23,888,572	-	-	-	22,443,700
	(2,051,105)	-	-	-	(895,024)
Profit/(loss) before taxation	(257,594)	182	(17,244,937)	(17,502,349)	5,237,088
Taxation	(3,822,023)	-	-	(3,822,023)	(3,552,180)
Profit/(loss) after taxation	(4,079,617)	182	(17,244,937)	(21,324,372)	1,684,908

38.1 Other information

Segment operating fixed Assets (book value)	5,129,531	-	4,496,161	9,625,692	10,260,417
Depreciation on operating fixed assets	1,757,858	-	497,052	2,254,910	1,979,814
Segment liabilities	233,111,987	29,037,109	110,389,812	372,538,908	384,196,769

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39 FINANCIAL ASSETS AND LIABILITIES

The Corporation's exposure to interest rate risk on its financial assets and liabilities are summarized as follows: -

Particulars	Total	Interest/Mark up bearing			Non Interest / Mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees -----					
Year Ended June 30, 2019					
Financial assets					
Investment:	41,631,202	-	22,827,551	22,827,551	18,803,651
Long term deposits	3,679,796	-	-	-	3,679,796
Trade debtors	8,041,861	-	-	-	8,041,861
Receivable from subsidiary companies	73,843,111	-	-	-	73,843,111
Loans and advances	22,892,723	-	-	-	22,892,723
Other receivables	13,115,718	-	-	-	13,115,718
Cash and bank balances	6,505,779	1,993,068	-	1,993,068	4,512,711
	<u>169,710,190</u>	<u>1,993,068</u>	<u>22,827,551</u>	<u>24,820,619</u>	<u>144,889,571</u>
Financial liabilities					
Provision for gratuity	163,545,323	-	-	-	163,545,323
Trade and other payables	143,663,508	-	-	-	143,663,508
Payable to subsidiary company	32,063,966	-	-	-	32,063,966
Bank overdrafts	33,266,111	-	-	-	33,266,111
	<u>372,538,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,538,908</u>
On balance sheet gap	(202,828,718)	1,993,068	22,827,551	24,820,619	(227,649,337)
Off Balance sheet Items					
Contingencies :	(230,067,534)	-	-	-	(230,067,534)
Commitments :	-	-	-	-	-
Total Gap	(432,896,252)	1,993,068	22,827,551	24,820,619	(457,716,871)
Year Ended June 30, 2018					
Financial assets					
Investment:	39,569,644	-	20,765,993	20,765,993	18,803,651
Long term deposits	3,526,787	-	-	-	3,526,787
Trade debtors	7,720,062	-	-	-	7,720,062
Receivable from subsidiary companies	70,703,866	-	-	-	70,703,866
Loans and advances	36,675,070	-	-	-	36,675,070
Other receivables	8,925,031	-	-	-	8,925,031
Cash and bank balances	27,523,408	23,744,483	-	23,744,483	3,778,925
	<u>194,643,868</u>	<u>23,744,483</u>	<u>20,765,993</u>	<u>44,510,476</u>	<u>150,133,392</u>
Financial liabilities					
Provision for gratuity	176,441,325	-	-	-	176,441,325
Trade and other payables	131,130,408	-	-	-	131,130,408
Payable to subsidiary company	26,532,520	-	-	-	26,532,520
Bank overdrafts	33,730,285	-	-	-	33,730,285
	<u>367,834,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,834,538</u>
On balance sheet gap	(173,190,670)	23,744,483	20,765,993	44,510,476	(217,701,146)
Off Balance sheet Items					
Contingencies :	(125,483,000)	-	-	-	(125,483,000)
Commitments :	-	-	-	-	-
Total Gap	(298,673,670)	23,744,483	20,765,993	44,510,476	(343,184,146)

Effective interest rates are mentioned in the respective notes to the financial statements.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

40.1 The Corporation's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Corporation's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Corporation's continuing profitability. The Corporation is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Corporation finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

40.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Corporation's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2019	2018
	Rupees	Rupees
Investments	41,631,202	39,569,644
Long term deposits	3,679,796	3,526,787
Trade debtors	8,041,861	7,720,062
Receivable from subsidiary companies	73,843,111	70,703,866
Loans and advances	22,892,723	36,675,070
Other receivables	13,115,718	8,925,031
Bank balances	2,484,029	24,221,624
	<u>165,688,440</u>	<u>191,342,084</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

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 affected by the changes in economic, political or other conditions. The Corporation believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year no assets have been impaired.

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PAKISTAN TOURISM DEVELOPMENT CORPORATION LIMITED
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40.3 Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

Particulars	Carrying Amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
2019							
Deferred liabilities	163,545,323	163,545,323	-	-	-	163,545,323	-
Trade and other payables	143,663,508	143,663,508	71,831,754	71,831,754	-	-	-
Payable to subsidiary company	32,063,966	32,063,966	-	32,063,966	-	-	-
Bank overdrafts	33,266,111	33,266,111	33,266,111	-	-	-	-
	372,538,908	372,538,908	105,097,865	103,895,720	-	163,545,323	-
2018							
Deferred liabilities	176,441,325	176,441,325	-	-	-	176,441,325	-
Trade and other payables	147,492,639	147,492,639	71,730,261	71,730,261	-	-	-
Payable to subsidiary company	26,532,520	26,532,520	-	26,532,520	-	-	-
Bank overdrafts	33,730,285	33,730,285	33,730,285	-	-	-	-
	384,196,769	384,196,769	105,460,546	98,262,781	-	176,441,325	-

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40.4 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 Corporation's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are

Presently the Corporation is not exposed to foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short borrowings.

Interest rate of the Corporation's financial assets and financial liabilities as at June 30, 2018 can be evaluated from the schedule given in note 39 to these financial statements.

(iii) Other price risk

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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Corporation is not exposed to price risk in respect of investments in associates whose fair value or future cash flows will fluctuate because of changes in market prices.

41 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arms length transactions.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39. The carrying amount of trade receivables and payables is assumed to approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

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Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred.

42 CORRECTION OF ERROR

The adjustments summarized below represents the quantitative and qualitative effect of material prior period corrections on equity, that have been made in these financial statements by restating the corresponding figures.

	Note	2018			2017		
		Reported	Increase / Decrease PKR	Restated	Reported	Increase / Decrease PKR	Restated
SOPP							
Loans & Advances	42.1	42,176,218	(6,759,578)	35,416,640	38,339,556	(6,759,578)	31,579,978
Retained Earnings		(680,179,389)	(6,759,578)	(686,938,967)	(663,333,125)	(6,759,578)	(670,092,703)

42.1 Advance disbursed to DCO Chitral in 2007 for Shandoor Festival was not adjusted against expense incurred, in the relevant accounting period. Further, Salary expense of officers on deputation amounting to Rs. 936,378 relating to 2009-10 and Rs.2,323,200 relating to 2014-15 was erroneously booked as a Salary advance in the related accounting periods.

43 TRANSACTIONS WITH RELATED PARTIES

Related parties includes associated undertakings, other related companies and key management personnel. The Corporation in normal course of business carries out transactions with various related parties. Transactions with related parties undertaken during the year were as follows;

	2019 Rupees	2018 Rupees
Subsidiary Companies		
PTDC Motels North (Private) Limited		
Fund transferred	3,000,000	2,000,000
Services received	(101,283)	(3,290,006)
Services provided	240,528	106,000
Advances Recovered Transferred	-	(2,000,000)
Payments to retired / deceased employees of PTDC motels	12,013,560	2,000,000
Grant transferred	(12,013,560)	-
Pakistan Tours (Private) Limited		
Services provided	74,342	34,500
Service received	(4,389,959)	-
Payments to retired / deceased employees of PTL	(411,858)	-
Funds Received	-	(100,000)
Grant transferred	-	-

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44 NUMBER OF EMPLOYEES

The number of employees as at year end was 174 (2018: 189) and average number of employees during the year was 170 (2018: 181).

45 EVENTS SUBSEQUENT TO REPORTING DATE

45.1 The license for the sale of liquor had expired on June 30, 2019 and has not been renewed till date. The sale of liquor is Rs.90.071 million (2018: Rs.99.239 million) which is 61% of the total revenue for the current year. The revenue for next year would be reduced by said percentage approximately.

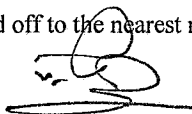
45.2 The board of directors has laid off all the employees of PTDC Head Office and its subsidiaries, on account of restructuring of PTDC, in its 88th board meeting held in November 2019. The minutes of the said meeting are approved in 89th meeting of the board held on July 02, 2020 and thus the employees are laid off w.e.f. July 01, 2020. The severance plan decided by the board has estimated financial implication of Rs.1.25 billion. The employees have resorted to court for protection of their rights.

46 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Corporation on 11 JAN 2021

47 GENERAL

Figures have been rounded off to the nearest rupee.


Director BOD


Directe BOD.

MANAGING DIRECTOR

CHAIRMAN