

FORM – 8

**The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi**

CS/PSX/1QTR-FS22/22

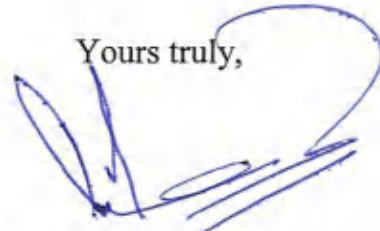
07 July, 2022

**TRANSMISSION OF QUARTERLY REPORT
FOR THE PERIOD ENDED MARCH 31, 2022**

Dear Sir,

1. We have to inform you that the Quarterly Report of Pakistan International Airlines Corporation Limited (PIACL) for the period ended March 31, 2022 has been transmitted through PUCARS and is also available on Company's website.
2. You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,



**Rao Muhammad Imran
Asstt. Company Secretary**



PAKISTAN
International Airlines
Great People to Fly With

Pursuing the National Vision



FIRST QUARTERLY REPORT 2022

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CORPORATE PROFILE

as at June 24, 2022

BOARD OF DIRECTORS

Mr Aslam R Khan
Chairman-PIACL

Mr Shoukat Ali
Secretary Aviation Division

Mr Atif Aslam Bajwa

Mr Zahid F Ebrahim

Syed Muhammad Ali Gardezi

AVM Muhammad Amir Hayat
Acting Chief Executive Officer

Mian Asad Hayauddin
Secretary Economic Affairs Division

Mr Navaid H Malik

Mr Hamed Yaqoob Sheikh
Secretary Finance Division

Dr Muhammad Altaf Tahir
Company Secretary

Sheikh Bilal Shams
Chief Internal Auditor

EXECUTIVE MANGEMENT

AVM Muhammad Amir Hayat
Acting Chief Executive Officer

AVM Irfan Zaheer
Director-Precision Engineering Complex

Amanullah Qureshi
Chief Operating Officer & Chief of Training & Development

Mr Ali Tahir Qasim
Chief Commercial Officer

Mr Amos Nadeem
Chief Financial Officer & Chief Supply Chain Management

Capt. Asif Gilani
Chief of Flight Operations

Mr Asad Husnain Bukhari
Acting Chief Information Officer

Mr Amer Altaf
Chief Human Resource Officer

Mr Amir Ali
Chief Technical Officer

OTHER CORPORATE INFORMATION

EXTERNAL AUDITORS

Messrs Grant Thornton & Co
Chartered Accountants

Messrs BDO Ebrahim & CO
Chartered Accountants

SHARE REGISTRAR

CDC Share Registrar Services Limited (CDCSRSL)
CDC House, 99-B, Block -B, S.M.C.H.S.,
Main Sharah-e-Faisal Karachi-74400 PAKISTAN
Ph:0800-CDCPL(23275)
Fax: 0092-21-34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

BANKERS

Al Baraka Bank
Askari Bank Limited
Bank Islami
The Bank of Punjab
City Bank N.A
Emirates NBD
Faysal Bank Limited
Habib Bank UK
Habib Bank Limited
JS Bank
Mashreq Bank, Dubai
Soneri Bank Limited
National Bank of Pakistan
Standard Chartered Bank Limited

REGISTERED OFFICE

PIA Building Jinnah International Airport
Karachi -75200 Pakistan
Tel: 0092-21-99040000
UAN: 111-786-786
Web: www.piac.com.pk

BOARD COMMITTEES

as at June 24, 2022

NAME OF COMMITTEES	MEMBER NAME	DESIGNATION
Board Audit Committee (BAC)	Mr Atif Aslam Bajwa Mr Muhammad Ali Gardezi Mr Navaid H Malik	Chairman Member Member
Board HR & Nomination Committee (BHR&NC)	Mr. Zahid F. Ebrahim Mr. Muhammad Ali Gardezi AVM Muhammad Amir Hayat	Chairman Member Member
Board Procurement Committee (BPC)	Mr. Muhammad Ali Gardezi AVM Muhammad Amir Hayat	Chairman Member

DIRECTORS' REPORT - FOR THE PERIOD ENDED MARCH 31, 2022

On behalf of the Directors of Pakistan International Airlines Corporation Limited we are pleased to present the performance report along with the financial statements for the period ended March 31, 2022.

The financial results for the period are summarized below;

Profit & Loss Statement	Period Ended March 31	
	2022	2021
	(PKR in Millions)	
Revenue	34,514	15,503
Cost of Services		
Fuel Cost	(12,105)	(4,288)
Other Cost of Services	(21,118)	(14,821)
Gross Profit/ (Loss)	1,291	(3,606)
Other Operating Expenses	(3,074)	(2,490)
Other Income	1,900	680
Profit/(Loss) from Operations	117	(5,417)
Exchange Gain/(Loss)	(3,727)	4,144
Finance Cost	(9,726)	(6,240)
Loss Before Taxation	(13,336)	(7,513)
Loss After Taxation	(13,595)	(7,518)

The world gradually started to come out of the adverse effects of the COVID-19 pandemic which crippled the Aviation Industry for almost two years. Countries around the globe started easing out travel restrictions and people returned to travel, PIA also witnessed softening of strict border controls and quarantine conditions on its key routes. Due to this positive trend, Airline posted a growth of 122% in its revenues as compared to the corresponding period last year. This resulted in Gross Profit and Operating Profit of Rs. 1,291 million and Rs. 117 million respectively as compared to a Gross Loss and Operating Loss of Rs. (3,606) million and Rs. (5,417) million respectively during corresponding period last year.

The Organization continues to face liquidity problems which resulted in increased borrowings pushing the finance cost up by 55%, rise in Interest rates also contributed to this increase. Due to devaluation of Pak Rupee during the period, Airline posted an Exchange loss of Rs. (3,727) million against gain of Rs. 4,144 million during corresponding period last year. These two major factors contributed towards increase in the loss after taxation as compared to the same period of last year.

IATA's future outlook for the Aviation Industry indicates a strong growth in the year 2022. The lifting of travel restrictions in most markets, low unemployment in most countries, and expanded personal savings are fueling resurgence in demand and it is expected that passenger numbers would reach to 83% of pre-pandemic levels in 2022.

DIRECTORS' REPORT - FOR THE PERIOD ENDED MARCH 31, 2022

PIA Management is focusing on further enhancing the revenues by expanding the customer base of the Airline. Rigorous efforts are being made to explore new destinations and avenues to commence its operations, several new destinations were added during the period while frequencies were enhanced on high yield routes. Recent positive developments on account of revival of Hajj/Umrah operations with significantly relaxed travel restrictions after COVID-19 pandemic resulted in better prospects for the National Carrier.

Although there has been an improvement in overall operating environment but it remained challenging for the airline, especially in the wake of significant increase in the fuel prices and devaluation of Pak Rupee. However, with the current revitalization plan being implemented across the Organization we are hopeful that, with support of our customers, dedication of our employees and continued support of shareholders as well as Government of Pakistan, we will emerge stronger for the better times ahead.

For and on behalf of the Board,



AVM Muhammad Amir Hayat
Acting Chief Executive Officer



Navaid H. Malik
Director

June 24, 2022


UNCONSOLIDATED
FINANCIAL
STATEMENTS




PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2022


		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note		(Rupees in '000)		(US\$ in '000)	
ASSETS					
NON-CURRENT ASSETS					
	Property, plant and equipment	4	88,641,845	91,030,118	483,119
	Investment property		244,471	244,471	1,332
	Intangibles		250,167	272,027	1,363
	Long-term investments		4,705,244	4,675,332	25,645
	Long-term loan to subsidiaries		872,518	779,343	4,755
	Long-term deposits		4,474,165	4,271,235	24,385
	TOTAL NON-CURRENT ASSETS		99,188,410	101,272,526	540,599
CURRENT ASSETS					
	Stores and spares		2,996,545	2,915,991	16,332
	Trade debts	5	20,901,627	14,925,854	113,919
	Advances		4,170,951	3,051,709	22,733
	Trade deposits and short-term prepayments		4,932,295	4,444,401	26,882
	Other receivables	6	7,786,047	7,240,000	42,436
	Short-term investments	7	19,220	19,220	105
	Cash and bank balances	8	9,579,943	12,496,332	52,213
	TOTAL CURRENT ASSETS		50,386,628	45,093,507	274,620
	TOTAL ASSETS		149,575,038	146,366,033	815,219
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
	Issued, subscribed and paid-up share capital		52,345,110	52,345,110	285,293
	Reserves		4,568,282	4,538,368	24,898
	Surplus on revaluation of property, plant and equipment - net		10,942,453	10,961,836	59,639
	Accumulated losses		(578,884,410)	(565,308,919)	(3,155,058)
	TOTAL SHAREHOLDERS' EQUITY		(511,028,565)	(497,463,605)	(2,785,228)
NON CURRENT LIABILITIES					
	Long-term financing	9	267,813,944	272,685,376	1,459,650
	Lease liabilities	10	9,428,385	10,348,383	51,387
	Advances from subsidiaries		7,538,937	7,259,407	41,089
	Deferred liabilities		40,424,433	39,821,428	220,323
	TOTAL NON-CURRENT LIABILITIES		325,205,700	330,114,594	1,772,449
CURRENT LIABILITIES					
	Trade and other payables	11	203,664,373	192,089,706	1,110,019
	Unclaimed dividend - Preference shares		3,297	3,297	18
	Accrued interest	12	35,380,613	32,378,420	192,833
	Taxation - net		1,395,965	1,182,288	7,607
	Short-term borrowings - secured	13	31,546,480	30,580,489	171,937
	Current maturity of non-current liabilities	14	63,407,172	57,480,844	345,584
	TOTAL CURRENT LIABILITIES		335,397,900	313,715,044	1,827,998
	TOTAL LIABILITIES		660,603,599	643,829,638	3,600,447
	TOTAL EQUITY AND LIABILITIES		149,575,038	146,366,033	815,219
CONTINGENCIES AND COMMITMENTS					
		15			


The annexed notes 1 to 26 form an integral part of this unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Executive Officer


Director



Chief Financial Officer



Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

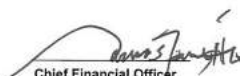
	Note	Three months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		(Rupees in '000)		(US\$ in '000)	
Revenue - net	16	34,514,306	15,503,419	191,751	99,192
Cost of services					
Aircraft fuel		(12,104,808)	(4,287,955)	(67,250)	(27,435)
Others	17	(21,118,049)	(14,821,765)	(117,325)	(94,831)
		(33,222,857)	(19,109,720)	(184,575)	(122,266)
Gross profit / (loss)		1,291,449	(3,606,301)	7,176	(23,074)
Distribution costs		(1,393,838)	(1,050,372)	(7,744)	(6,720)
Administrative expenses		(1,447,494)	(1,272,392)	(8,042)	(8,141)
Other provisions and adjustments - net		(233,084)	(167,939)	(1,295)	(1,074)
Other income		1,899,992	680,416	10,556	4,353
		(1,174,424)	(1,810,287)	(6,525)	(11,582)
Profit / (Loss) from operations		117,025	(5,416,588)	651	(34,656)
Exchange (loss) / profit - net		(3,727,084)	4,143,875	(20,706)	26,513
Loss before interest and taxation		(3,610,059)	(1,272,713)	(20,055)	(8,143)
Finance costs	18	(9,725,958)	(6,240,198)	(54,034)	(39,925)
Loss before taxation		(13,336,017)	(7,512,911)	(74,089)	(48,068)
Taxation	19	(258,857)	(5,027)	(1,438)	(32)
Net loss for the period		(13,594,874)	(7,517,938)	(75,527)	(48,100)
		(Rupees)		(US\$)	
Loss per share - basic and diluted	20				
Loss attributable to:					
'A' class ordinary shares of Rs. 10 each		(2.60)	(1.44)	(0.01)	(0.01)
'B' class ordinary shares of Rs. 5 each		(1.30)	(0.72)	(0.01)	(0.00)


The annexed notes 1 to 26 form an integral part of this unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Executive Officer


 Director



 Chief Financial Officer


 Chief Financial Officer


PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Three months period ended		Three months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)		(US\$ in '000)	
Net loss for the period	(13,594,874)	(7,517,938)	(75,527)	(48,100)
Other comprehensive income:				
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss				
Unrealised gain / (loss) on re-measurement of investments at FVOCI	29,912	-	166	-
Total comprehensive loss for the period	<u>(13,564,962)</u>	<u>(7,517,938)</u>	<u>(75,361)</u>	<u>(48,100)</u>

The annexed notes 1 to 26 form an integral part of this unconsolidated condensed interim financial statements.




 Chief Executive Officer




 Chief Executive Officer



 Director



 Chief Financial Officer





 Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022


		Three months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		(Rupees in '000)		(US\$ in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
	21	7,295,419	500,843	40,531	3,204
		33,825	2,052	188	13
		(6,723,765)	(4,852,047)	(37,355)	(31,044)
		(45,180)	(34,778)	(251)	(223)
		(587,826)	(850,652)	(3,268)	(5,443)
		(202,929)	722,834	(1,127)	4,625
Net cash used in operating activities		(230,456)	(4,511,748)	(1,282)	(28,868)
CASH FLOWS FROM INVESTING ACTIVITIES					
		(700,243)	(39,888)	(3,890)	(255)
		-	(2,824)	-	(18)
		(93,176)	-	(518)	-
		-	465	-	3
Net cash used in investing activities		(793,419)	(42,247)	(4,408)	(270)
CASH FLOWS FROM FINANCING ACTIVITIES					
		(9,807,026)	(7,137,898)	(54,485)	(45,669)
		8,622,646	12,646,102	47,905	80,912
		(1,654,906)	(3,214,988)	(9,194)	(20,570)
Net cash flows from financing activities		(2,839,286)	2,293,216	(15,774)	14,673
Increase / (decrease) in cash and cash equivalents		(3,863,160)	(2,260,779)	(21,464)	(14,465)
Cash and cash equivalents at beginning of the period		11,775,843	5,023,148	65,423	32,139
Cash and cash equivalents at end of the period		7,912,683	2,762,369	43,959	17,674
Cash and cash equivalents					
		19,220	-	107	-
		9,579,943	3,598,449	53,223	23,023
		(1,686,480)	(836,080)	(9,370)	(5,349)
		7,912,683	2,762,369	43,960	17,674

The annexed notes 1 to 26 form an integral part of this unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Executive Officer


Director


Chief Financial Officer


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

Balance as at January 01, 2021

Total comprehensive income / (loss) for the period ended March 31, 2021
Loss for the period

Other comprehensive income / (loss) for the period
Total comprehensive income / (loss) for the period

Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax
Balance as at March 31, 2021

Balance as at December 31, 2021


Total comprehensive income / (loss) for the period ended March 31, 2022
Loss for the period


Other comprehensive income for the period
Total comprehensive income / (loss) for the period

Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax

Balance as at March 31, 2022

The annexed notes 1 to 26 form an integral part of this unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Executive Officer

Capital Reserves						
Issued, subscribed, and paid-up share capital	Capital reserves	Unrealised gain on remeasurement of investments at FVOCI	Surplus on revaluation of property, plant & equipment - net	Sub Total	Revenue reserves	Accumulated losses
(Rupees in '000)						
52,345,110	2,501,038	163,074	11,039,369	13,703,481	1,779,674	(516,595,078)
						(448,766,813)
-	-	-	-	-	-	(7,517,938)
-	-	-	-	-	-	(7,517,938)
-	-	-	-	-	-	(7,517,938)
52,345,110	2,501,038	163,074	11,039,369	13,683,234	1,779,674	(456,284,751)
52,345,110	2,501,038	257,658	10,961,856	13,720,532	1,779,674	(497,463,605)
-	-	-	-	-	-	(13,594,874)
-	-	29,912	-	29,912	-	(13,594,874)
-	-	29,912	-	29,912	-	(13,594,874)
-	-	-	(19,383)	(19,383)	-	19,383
52,345,110	2,501,038	287,570	10,942,452	13,731,060	1,779,674	(511,028,565)


Chief Financial Officer


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan International Airlines Corporation Limited (the Company) was incorporated on January 10, 1955 under the Pakistan International Airlines Company Ordinance, 1955, which was subsequently repealed and replaced by the Pakistan International Airlines Company Act, 1956. With effect from April 19, 2016, the Company has been converted from a statutory corporation to a public limited company by shares, through Act No. XV of 2016 'The Pakistan International Airlines Company (Conversion) Act, 2016' (the Conversion Act) approved by the Parliament of Pakistan. The Conversion Act has repealed the Pakistan International Company Act, 1956 and the Company is now governed under the Companies Act, 2017 (the Act). According to the Conversion Act, all assets, rights, licenses, privileges and benefits of which the Corporation was entitled were transferred to the Company and the Company has assumed all liabilities and obligations of the Corporation. However, the management believes that in substance there is no change except for the legal status and application of the provisions of the Act.

The principal activity of the Company is to provide commercial air transportation, which includes passenger, cargo and postal carriage services. Other activities of the Company include provision of engineering and allied services.

- 1.2 The Business Units of the Company include the following:

Business Unit	Geographical Location
Head Office	PIA Head Office, Old Terminal, Karachi.

Numerous regional sales offices and counters are located across the country and overseas, the details of which are impracticable to disclose in these unconsolidated condensed interim financial statements as required under the Fourth Schedule to the Companies Act, 2017.

- 1.3 During the current period, the Company incurred a net loss of Rs. 13,594.874million (March 31, 2021: Rs. 7,517.938 million) resulting in accumulated losses of Rs. 578,884.410 million as of March 31, 2022 (December 31, 2021: Rs. 565,308.919 million). Further, as of March 31, 2022, current liabilities of the Company exceeded its current assets by Rs. 285,011.272 Million (December 31, 2021: Rs. 268,621.537 million).

In view of the situation described above, the management has made an assessment of the Company's ability to continue as a going concern and based on the below mitigating factors, management believes that though, the sustainability of the future operations of the Company is dependent on the support of the Government of Pakistan (GoP), no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, the unconsolidated condensed interim financial statements are prepared on a going concern basis, with considering among others the following factors:

- a) GoP, being the major shareholder of the Company, through its Finance Division's letter dated September 02, 2008 communicated that it would extend all maximum support to maintain the Company's going concern status. Since then it has been extending support to the Company through following measures to ensure that the Company continues and sustains in the long term as a viable business entity:
- financing of long-term loans to meet working capital requirements of the Company;
 - issuance / renewal of guarantees to financial institutions, both local and foreign, enabling the Company to raise / rollover funds;
 - approval for extension of repayment period of the term finance certificates;
 - provision of funds for acquisition of narrow body aircraft on dry lease; and
 - reimbursement of financial charges on term finance and sukuk certificates.

- b) On December 30, 2017 in a meeting with the GoP, it was agreed that mark-up support would be provided for the five years starting from July 2018 and short-term loans would be converted to long-term with a possibility of grace period. Accordingly, during the fiscal years 2018-19, 2019-20, 2020-21 and 2021-22 (till March 2022), Rs. 16,768 million, Rs. 28,263 million, Rs. 19,072 million and Rs. 13,677 million respectively have been provided by the GoP in respect of markup support.
- c) On April 4, 2019 in a meeting with the GoP, the Company presented its strategic business plan 2019-23 which was approved and during that meeting GoP assured full support to the Company in terms of provision of funds / equity in order to increase its potential to compete in the aviation market.
- d) Further, through a letter dated March 04, 2020, GoP through ministry of finance has reiterated its maximum support to maintain the Company as going concern in the foreseeable future, and extended its further support through letter dated April 24, 2020 for the situation arising due to COVID-19.

- 1.4 During the year ended December 31, 2020, the GoP formed a committee to evaluate the proposal of financial restructuring of the Company, with the aim to make the entity financially sustainable on standalone basis. In this regard, several meetings were held in the year 2020 under the auspices of Honorable Advisor to Prime Minister on Institutional Reforms and Austerity and attended by Secretary Aviation and Secretary Finance amongst other committee members. The recommendations of the committee have been duly reviewed by Economic Coordination Committee (ECC) and recommended for approval of the Federal Cabinet. On the directives of the Federal Government, foreign consultants were engaged to develop a long term business plan for making the Company a viable entity in the long run. This plan was submitted to the concerned ministry of GoP, which approved it after evaluation and forwarded the same to the Federal Cabinet through Ministry of Finance for final approval.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB) as 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 Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

These are separate unconsolidated condensed interim financial statements of the Company in which investment in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Further, the Company also prepares consolidated interim financial information incorporating the financial results of its subsidiaries.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that:

- certain items of property, plant and equipment are stated at revalued amount;
- certain financial assets are carried at fair value;
- liability on account of frequent flyer programme is recognised at fair value;
- defined benefit obligations are stated at present value;
- lease liabilities are stated at present value; and
- provision for redelivery cost of aircrafts and engines are stated at present value.

2.3 Functional and presentation currency

Items included in the unconsolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated condensed interim financial statements are presented in Pakistani Rupees ('PKR', 'Rupees' or 'Rs') which is the Company's functional and presentation currency.

The US Dollar(\$ amounts reported in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows are stated as additional information, solely for the convenience of the users of these unconsolidated condensed interim financial statements. The US Dollar amounts in the unconsolidated condensed interim statement of financial position have been translated into US Dollar at the rate of Rs. 183.4782 = US\$ 1 (December 2021: Rs. 176.5135 = US\$ 1) and in the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been translated into US Dollar at the rate of Rs. 179.9959 = US\$ 1 (March 2021: Rs. 156.2965 = US\$ 1).

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of the unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended December 31, 2021.

3.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

	Effective date (annual periods beginning on or after)
Amendment to IFRS-3 Business Combination Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Annual Improvement Process IFRS 1 First Time Adoption of International Financial Reporting Standards - Subsidiary as a first time adopter	January 01, 2022
Annual Improvement Process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual Improvement Process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	January 01, 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet finalized
The Company is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the unconsolidated condensed interim financial statements of the Company.	

3.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

IFRS 1 - First time adoption of International Financial Reporting Standards (IFRSs)	July 01, 2009
IFRS 17 - Insurance Contracts	January 01, 2023

3.4 Accounting estimates and judgements

Estimates and judgements made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended December 31, 2021.

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
- owned	71,832,588	73,418,994
- right of use asset	15,720,004	17,076,831
	87,552,592	90,495,825
Capital work-in-progress	1,089,253	534,293
	88,641,845	91,030,118

4.1 Included herein are the following additions / transfers / adjustments and deletions during the current period:

	Three months period ended March 31, 2022 (Un-Audited)	March 31, 2021 (Un-Audited)
	----- (Rupees in '000) -----	
4.1.1 OWNED		
- Additions / Transfers		
Building	-	1,268
Engineering equipment and tools	701	8,815
Furniture, fixtures and fittings	1,642	1,910
Equipment	24,804	3,095
Computer and office automation	45,757	2,055
Intangible	-	26,723
Capital Spares	72,379	16,770
	145,283	60,636
OWNED		
- Deletions / Write offs net book value / Adjustments		
Computer and office automation	-	131
	-	131
4.1.2 CWIP		
Additions during the period	554,960	14,263
Transferred to operating assets	-	-32,187
	554,960	-17,924
4.2 Depreciation charge for the period has been allocated as under:		
Cost of services - others	3,083,541	3,507,590
Distribution costs	1,956	2,438
Administrative expenses	3,018	3,765
	3,088,514	3,513,793

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	----- (Rupees in '000) -----	
5 TRADE DEBTS		
Considered good		
Due from Government	3,820,693	3,941,966
Due from other customers	17,080,934	10,983,888
	<u>20,901,627</u>	<u>14,925,854</u>
Considered doubtful		
Government related	337,109	337,109
Other customers	4,846,811	4,846,811
Less: Provision for impairment against doubtful debts	<u>(5,183,920)</u>	<u>(5,183,920)</u>
	<u>20,901,627</u>	<u>14,925,854</u>

6. OTHER RECEIVABLES

Considered good - Related party

Receivable from NICL	177,670	310,175
Excise duty	100,000	100,000
Sales tax receivable	4,782,028	4,745,637
Grant receivable from GoP - net	16,608	16,608
Receivable from GoP	123,339	117,112
PIA Investments Limited	25,344	2,023
	<u>5,224,989</u>	<u>5,291,555</u>

Other than related party

Others	2,561,058	1,948,445
--------	-----------	-----------

Considered doubtful

Less: Provision for impairment against doubtful other receivables	<u>450,562</u>	<u>450,562</u>
	<u>(450,562)</u>	<u>(450,562)</u>
	<u>7,786,047</u>	<u>7,240,000</u>

- 6.1 This represents sales tax refundable aggregating Rs. 4,745.637 million (2021: Rs. 4,745.637 million) representing unadjusted portion of input tax under Sales Tax Act, 1990 (the Act). The Company has filed application for refunds of input sales tax up to December 31, 2011. In response, ACIR, Large Taxpayers Unit (LTU) through a letter has inter alia stated that as the Company is engaged in both domestic and international air travel, therefore, input tax paid is adjustable only against the domestic air travel services as no input tax adjustment is allowed against the international air travel services in terms of Rule 41A(14) of the Federal Excise Rules, 2005 [see note 31.1.1 (d)].

The Company in consultation with its tax advisor believes that apportionment rule is not applicable in the subject case inter alia, at first instance, no sales tax was required to be collected at import stage on capital goods (spares / engines / aircraft) in view of the exemption available under entry No. 16 of SRO 575(1)/2006, which is applicable to the Company being registered as a Service Provider in transportation business and registered as service provider under the Act. The management has represented its view to the tax authorities. Therefore, the management is confident that sales tax was not payable on such imports and the amounts collected from the Company at the import stage shall be eventually recovered / adjusted.

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	----- (Rupees in '000) -----	
7. SHORT-TERM INVESTMENTS		
Fair value through other comprehensive income - unquoted		
SITA INC N.V.		
325,491 (2020: 325,491) ordinary shares	<u>19,220</u>	<u>19,220</u>

- 7.1 These shares are held by SITA INC. N.V. on behalf of the Company and are transferable subject to certain specified conditions.

		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
8 CASH AND BANK BALANCES			
Cash			
In hand		3,229	1,483
With banks:			
- in current accounts	8.1	7,593,539	10,346,921
- in deposit accounts	8.2 & 8.3	1,983,175	2,147,928
		9,576,714	12,494,849
		<u>9,579,943</u>	<u>12,496,332</u>

- 8.1 This has been adjusted by an aggregate amount of Rs. 884.732 million (2021: Rs. 504.244 million), representing book overdrafts.
- 8.2 These carry interest ranging from 0.5% to 8.9% (2021: 0.5% to 8.9%) per annum.
- 8.3 This includes a bank balance of BDT 677.964 million (2021: BDT 674.591 million) equivalent to Rs. 1,443.656 million (2021: Rs. 1,390.803 million) held at National Bank of Pakistan, Dhaka and Habib Bank Limited, Dhaka. The management of the Company is currently facing challenges in remittance of such balance to Pakistan due to compliance / procedural matters. However, the Company holds clean and absolute title of subject bank accounts, being free to make payments / transfers within Bangladesh territory.

		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
9. LONG-TERM FINANCING			
Borrowings	9.1	262,138,944	267,010,376
Sukuk certificates		5,675,000	5,675,000
		<u>267,813,944</u>	<u>272,685,376</u>

9.1 Borrowings

Balance at beginning of the period		318,647,418	277,230,558
Financing obtained during the period		8,622,646	80,145,433
Repayments made during the period		(9,807,026)	(44,188,607)
Exchange loss		2,161,844	5,460,034
		<u>319,624,882</u>	<u>318,647,418</u>
Less: Current maturity	14	(57,485,938)	(51,637,042)
Balance at end of the period		<u>262,138,944</u>	<u>267,010,376</u>

- 9.2 During the period, the Company obtained additional financing from the following:

Financier	Type of facility	Facility amount (million)	Repayment period	Number of Installments / Mode	Rupees in '000
HBL	Term finance	PKR 17000	2023-2026	60 Monthly	3,000,000
Markup reimbursement from GoP					<u>5,622,646</u>
Total					<u>8,622,646</u>

- 9.3 During the period, the SBP introduced revision in regulation R-8 of Prudential Regulations through its circular BPRD No. 13 of 2020 to relieve the stress on the corporate / commercial sector arising due to COVID 19 pandemic situation. Under this scheme, the financial institutions have deferred repayments of principal amounts by 6 to 12 months from the date of original maturity, provided that the Company will continue to service the markup amount as per agreed terms and conditions. As a result of this, these loans are repayable starting earliest from October 2021 and ending by April 2022. However, the Company has option to prepay these amounts without any penalty. Out of these principal payments deferred, Rs. 183.478 million has been classified as non current based on unconditional right to defer repayments as their revised maturity dates fall beyond the 12 months period.

		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
10. LEASE LIABILITIES			
Secured			
- other than related party			
Present value of minimum lease payments			
- Aircraft fleet including engines		14,636,988	15,339,172
- Buildings		671,572	801,372
		<u>15,308,560</u>	<u>16,140,544</u>
Technical ground equipment		41,058	51,641
		<u>15,349,618</u>	<u>16,192,185</u>
Less: Current maturity	14	(5,921,233)	(5,843,802)
		<u>9,428,385</u>	<u>10,348,383</u>

		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
11. TRADE AND OTHER PAYABLES	Note		
Trade creditors			
Goods		24,385,941	22,853,666
Services		19,491,963	13,615,768
Airport related charges		46,902,930	44,746,336
		90,780,834	81,215,770
Others			
Accrued liabilities	11.1	10,128,509	12,136,774
Employees VSS obligations		12,215	12,215
Advance against transportation (unearned revenue)		15,680,129	11,261,014
Obligation for compensated absences		6,486,815	6,264,113
Unredeemed frequent flyer liabilities		459,890	459,890
Advances from customers		3,534,262	2,238,816
Employees Provident Fund		1,600,911	2,916,046
Collection on behalf of others		59,470,426	58,894,804
Customs, federal excise duty and sales tax		2,418,213	2,865,423
Federal excise duty - International travel		10,858,223	11,694,263
Income tax deducted at source		1,619,730	1,673,081
Short term deposits		614,216	457,497
		<u>203,664,373</u>	<u>192,089,706</u>

- 11.1 This includes total management fee upto March 31, 2022 amounting to Rs. 195.342 million (2021: Rs. 186.096 million) payable to PIA Investments Limited, a subsidiary company.

		March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
12. ACCRUED INTEREST			
Mark-up / profit payable on:			
- long-term financing		12,108,431	11,482,403
- mark-up reimbursement loan from GoP		11,994,917	10,188,427
- sukuk certificates		9,578	8,816
- short-term borrowings		899,439	705,261
- provident fund		8,704,137	8,426,244
- advance from PIAIL		1,664,111	1,567,269
		<u>35,380,613</u>	<u>32,378,420</u>
13. SHORT-TERM BORROWINGS - SECURED			
Short-term loans		29,860,000	29,860,000
Running finance under mark-up arrangements		1,686,480	720,489
		<u>31,546,480</u>	<u>30,580,489</u>
14. CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Long-term financing	9	57,485,938	51,637,042
Lease liabilities	10	5,921,233	5,843,802
		<u>63,407,172</u>	<u>57,480,844</u>

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There has been no material change in the status of contingencies as disclosed in note 30 to the unconsolidated financial statements for the year ended December 31, 2021.

16. REVENUE - NET

	Three months period ended	
	March 31, 2022	March 31, 2021
	(Un-Audited)	(Un-Audited)
	(Rupees in '000)	
Passenger	30,835,289	12,643,356
Cargo	1,242,776	805,173
Charter services	615,627	733,963
Others	1,820,614	1,320,927
	<u>34,514,306</u>	<u>15,503,419</u>

17. COST OF SERVICES - OTHERS

	Three months period ended	
	March 31, 2022	March 31, 2021
	(Un-Audited)	(Un-Audited)
	(Rupees in '000)	
Salaries, wages and allowances	2,741,418	2,418,920
Welfare and social security costs	267,900	459,040
Retirement benefits	698,774	580,167
Compensated absences	123,715	50,541
Legal and professional charges	9,574	9,393
Stores and spares consumed	285,937	304,129
Maintenance and overhaul	3,135,074	1,792,910
Flight equipment rental	1,578,015	326,304
Aircraft Charter	2,151,950	628,469
Landing and handling	4,181,097	1,970,431
Passenger services	417,756	265,268
Crew layover	387,775	258,601
Staff training	5,952	708
Utilities	9,407	6,711
Communication	493,686	322,464
Insurance	1,067,767	1,670,039
Rent, rates and taxes	216,534	137,652
Printing and stationery	28,767	18,361
Depreciation	3,083,541	3,507,590
Amortisation on intangibles	1,749	3,009
Others	231,661	91,058
	<u>21,118,049</u>	<u>14,821,765</u>

18. FINANCE COSTS

Mark-up on:

- long-term financing	6,201,446	4,141,106
- interest on loan from GoP against markup	1,806,491	923,311
- short-term borrowings	899,138	676,483
- advance from a subsidiary	33,751	30,348
	<u>8,940,826</u>	<u>5,771,248</u>
Profit on sukuk certificates	159,517	-
Lease liabilities	245,246	255,633
Discounting on deposits	48,627	-
Interest on provident fund	277,893	177,663
Arrangement, agency and commitment fee	43,157	24,759
Bank charges, guarantee commission and other related charges	10,693	10,895
	<u>9,725,958</u>	<u>6,240,198</u>

Three months period ended	
March 31, 2022	March 31, 2021
(Un-Audited)	(Un-Audited)
----- (Rupees in '000) -----	

19. TAXATION

Current tax
For the period

258,857

5,027

- 19.1 Upto the half year ended 30 June 2021, the Company was not recognising income tax on the basis of minimum tax on turnover under Section 113 of Income Tax Ordinance 2001, based on the management's interpretation that Section 113 is not to be levied on the Company's revenue streams (i.e. fare from passenger, cargo freight, and excess luggage fees) as these do not fall under the ambit of "gross fees for rendering of services" as defined in above mentioned section, that would be treated as turnover for the purpose of levying minimum tax. The management's interpretation was in line with the recent decision of Appellate Tribunal Inland Revenue (ATIR) reported as 2019 PTD (Trib.) 416, in case of another airline company, holding that the above mentioned revenues generated by the Company do not fall under the ambit of turnover as defined in section 113 of Income Tax Ordinance, 2001.

- 19.2 There has been no material change in the status of tax contingencies as disclosed in note 30 to the unconsolidated financial statements for the year ended December 31, 2021.

Three months period ended	
March 31, 2022	March 31, 2021
(Un-Audited)	(Un-Audited)
----- (Rupees in '000) -----	

20. LOSS PER SHARE - BASIC AND DILUTED

Loss for the period

(13,594,874)

(7,517,938)

Weighted average number of ordinary
shares outstanding

5,235,261,117

5,235,261,117

Loss per share attributable to

'A' class ordinary share (Rupees)

(2.60)

(1.44)

'B' class ordinary share (Rupees)

(1.30)

(0.72)

Three months period ended	
March 31, 2022	March 31, 2021
(Un-Audited)	(Un-Audited)
----- (Rupees in '000) -----	

21. CASH GENERATED FROM OPERATIONS

Loss before taxation

(13,336,017)

(7,512,911)

Adjustments for:

Depreciation

3,088,514

3,513,793

(Gain) / Loss on disposal of property, plant and
equipment - net

-

(334)

Amortisation of intangibles

21,860

37,612

Provision for slow moving stores and spares

-

37,521

Provision for employee benefits

1,413,535

1,064,622

Finance cost

9,725,958

6,240,198

Unrealised exchange loss

3,272,939

(2,886,153)

Profit on bank deposits

(33,825)

(2,052)

4,152,964

492,296

Working capital changes

(Increase) in stores and spares

(80,554)

(106,663)

(Increase) / decrease in trade debts

(5,975,773)

413,597

(Increase) in advances

(1,119,242)

(347,188)

(Increase) / decrease in trade deposits and
prepayments

(487,894)

78,424

(Increase) / decrease in other receivables

(546,047)

5,739,354

Increase / (decrease) in trade and other payables

11,351,965

(5,768,977)

3,142,455

8,547

7,295,419

500,843

22. TRANSACTIONS WITH RELATED PARTIES

22.1 Following are the related parties with whom the Company entered into transactions or agreements and / or arrangements in place during the period:

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	92%	Major Shareholder
PIA Investments Limited PIAL	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary
Sabre Travel Network Pakistan (Private) Limited	70%	Subsidiary
Minhal France S.A	-	Sub - Subsidiary
Al-Shifa Trust	-	CSR Setup
Post Retirement Benefits		
PIA Main Pension Fund	-	Post Retirement Benefits
PIA PALPA Fund	-	Post Retirement Benefits
PIA FENA Fund	-	Post Retirement Benefits
Profit oriented state controlled entities		
UK Pension Fund	-	Post Retirement Benefits
Profit oriented state controlled entities		
Pakistan State Oil Company Limited	-	State owned / controlled entities
Pakistan Civil Aviation Authority	-	State owned / controlled entities
National Bank of Pakistan	-	State owned / controlled entities
National Insurance Corporation Limited	-	State owned / controlled entities
Federal Board of Revenue	-	State owned / controlled entities
Air Cdre Aamer Altaf	-	Key management personnel
Amanullah Qureshi	-	Key management personnel
Amir Ali	-	Key management personnel
Amos Nadeem	-	Key management personnel
Air Marshal Arshad Malik	-	Key management personnel
AVM Irfan Zaheer	-	Key management personnel
Air Cdre Jawad Zafar Chaudhry	-	Key management personnel
Maj Khuram Mushtaq	-	Key management personnel
Mohsin Ausaf Khan	-	Key management personnel
AVM Muhammad Amir Hayat	-	Key management personnel
Dr. Muhammad Altaf Tahir	-	Key management personnel
Syed Ali Tahir Qasim	-	Key management personnel
Syed Asif Gilani	-	Key management personnel

22.2 The related parties comprise of subsidiaries, profit oriented state-controlled entities, directors, key management personnel and employee benefit funds. The Company in the normal course of business carries out transactions with various related parties. The transactions with related parties, other than those relating to issuance of tickets at concessional rates to employees according to the terms of employment / regulations and those not mentioned elsewhere in these unconsolidated financial statements are as follows:

Three months period ended	
March 31, 2022 (Un-Audited)	March 31, 2021 (Un-Audited)
----- (Rupees in '000) -----	

Name of Related Parties	Nature of Transaction		
Skyrooms (Private) Limited – Subsidiary	Payments made against in-transit passengers	16,469	9,065
	Services hired	188,634	55,937
PIA Investments Limited - Subsidiary	Management fee expense	19,380	3,479
	Finance cost on advance	33,751	30,348
	Advance from Subsidiary	7,363,937	7,084,407
	Markup on advance to PIAIL	23,321	-
Minhal France S.A. - Sub-subsidiary	Management fee income	20,400	3,662
Sabre Travel Network Pakistan (Private) Limited - (Sabre)	Advance from Subsidiary	175,000	175,000
Retirement benefit funds	Contribution to provident fund and others	511,559	367,610
	Interest on overdue balance of provident fund	277,893	177,663
Pakistan State Oil (PSO)	Purchase of fuel	7,154,832	2,478,517
	Late Payment Interest	233,066	213,223
Civil Aviation Authority (CAA)	Airport related charges	3,537,583	1,702,923
National Insurance Company (NICL)	Insurance premium	1,067,160	240,968
National Bank of Pakistan (NBP)	Finance costs	1,160,525	877,509
GoP - Major shareholder	Finance cost	2,003,751	1,120,571
Key Management Personnel	Salaries, wages and other benefits	34,792	32,245

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2021. There have been no changes in any risk management policies since the year end.

23.2 Fair value estimation

As at March 31, 2022, all the Company's assets and liabilities are carried at cost except for those mentioned below:

The Company's leasehold land, buildings on leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less accumulated depreciation and subsequent accumulated impairment losses, if any;

The Company classifies long-term investments in listed companies measured in the unconsolidated condensed interim statement of financial position at fair values; and

The carrying value of all financial and non-financial assets and liabilities measured at other than cost in these unconsolidated condensed interim financial statements approximate their fair values.

The carrying value of all financial and non-financial assets and liabilities measured at other than cost in these unconsolidated condensed interim financial statements approximate their fair values.

24. GENERAL


All figures have been rounded off to the nearest thousand Pakistan Rupees unless otherwise stated.


25. CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped, wherever necessary for the purpose of comparison and for better presentation.

26. AUTHORISATION OF FINANCIAL STATEMENTS

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 24 June, 2022.





Chief Executive Officer


Chief Executive Officer



Director



Chief Financial Officer


Chief Financial Officer

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CONSOLIDATED FINANCIAL STATEMENTS




PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2022


	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note	Rupees in '000		US\$ in '000	
ASSETS				
NON CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	4 144,836,232	146,161,724	789,392	828,048
Investment Property	82,033,236	78,928,594	447,101	447,153
Intangibles	1,740,337	6,022,904	9,485	34,121
	<u>228,609,805</u>	<u>231,113,222</u>	<u>1,245,978</u>	<u>1,309,322</u>
Long-term investments	49,133	371,199	268	2,103
Receivable from Centre Hotel	1,386,033	1,333,420	7,554	7,554
Long-term deposits and prepayments	4,744,548	4,542,740	25,859	25,736
Total non-current assets	234,789,519	237,361,184	1,279,659	1,344,718
CURRENT ASSETS				
Stores and spares	3,028,644	2,949,352	16,607	16,709
Trade debts	5 21,241,092	15,174,240	115,769	85,966
Short-term loans and advances	4,211,121	3,091,218	22,952	17,513
Trade deposits and prepayments	5,365,871	5,624,535	29,245	31,865
Other receivables	6 7,760,703	7,325,667	42,298	41,502
Short-term investments	7 19,220	19,220	105	109
Cash and bank balances	8 11,151,087	14,011,292	60,776	79,378
Total Current assets	52,777,738	48,195,524	287,652	273,042
TOTAL ASSETS	287,567,258	285,556,708	1,567,310	1,617,760
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid-up share capital	52,345,110	52,345,110	285,293	296,550
Reserves	14,760,963	13,704,339	80,451	77,639
Surplus on revaluation of property, plant and equipment - net	77,130,773	80,985,363	420,381	458,805
Accumulated losses	(578,712,089)	(565,421,057)	(3,154,119)	(3,203,274)
Attributable to the Holding Company's shareholders	(434,475,244)	(418,386,245)	(2,367,994)	(2,370,280)
Non-controlling interest	3,724,299	3,605,833	20,298	20,428
TOTAL EQUITY	(430,750,945)	(414,780,412)	(2,347,696)	(2,349,852)
NON-CURRENT LIABILITIES				
Long-term financing	9 298,611,337	302,573,060	1,627,503	1,714,164
Lease Liabilities	10 9,428,385	10,348,383	51,387	58,627
Long-term advances and deposits	130,876	125,913	713	713
Derivative	89,143	87,498	486	496
Deferred taxation	28,381,655	27,510,930	154,687	155,857
Deferred liabilities	42,239,516	43,485,209	230,215	246,356
Total Non current liabilities	378,880,912	384,130,993	2,064,991	2,176,213
CURRENT LIABILITIES				
Trade and other payables	11 208,859,586	195,760,073	1,138,335	1,109,037
Unclaimed dividend - Preference shares	3,297	3,297	18	19
Accrued interest	12 33,965,410	30,843,526	185,120	174,737
Provision for taxation	1,210,176	1,182,293	6,596	6,698
Short-term borrowings	13 31,546,480	30,580,489	171,936	173,247
Current maturities of non - current liabilities	14 63,852,340	57,836,449	348,010	327,660
Total current liabilities	339,437,289	316,206,127	1,850,015	1,791,399
TOTAL LIABILITIES	718,318,201	700,337,120	3,915,006	3,967,612
TOTAL EQUITY AND LIABILITIES	287,567,258	285,556,708	1,567,310	1,617,760
CONTINGENCIES AND COMMITMENTS				


The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Executive Officer


 Director



 Chief Financial Officer



 Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Note	Three months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Rupees in '000		US\$ in '000	
REVENUE - NET	16	35,390,530	15,857,125	196,619	101,455
COST OF SERVICES					
Aircraft fuel		(12,104,808)	(4,287,955)	(67,250)	(27,435)
Others	17	(21,525,880)	(14,385,779)	(119,591)	(92,042)
		(33,630,688)	(18,673,734)	(186,841)	(119,477)
GROSS PROFIT		1,759,842	(2,816,609)	9,778	(18,022)
Distribution costs		(1,393,838)	(1,070,945)	(7,744)	(6,852)
Administrative expenses		(2,844,079)	(2,635,453)	(15,801)	(16,862)
Other provisions and adjustments		(233,084)	(167,939)	(1,295)	(1,074)
Other income		1,971,524	689,665	10,953	4,413
		(2,499,477)	(3,184,672)	(13,887)	(20,376)
LOSS FROM OPERATIONS		(739,635)	(6,001,281)	(4,109)	(38,398)
Exchange Loss - net		(3,726,322)	4,144,195	(96,695)	(50,309)
LOSS BEFORE INTEREST AND TAXATION		(4,465,957)	(1,857,086)	(100,804)	(88,707)
Finance costs	18	(9,726,102)	(6,482,973)	(54,035)	(41,479)
LOSS BEFORE TAXATION		(14,192,057)	(8,340,059)	(154,839)	(130,186)
Taxation	19	(156,841)	(8,090)	(871)	(52)
LOSS FOR THE PERIOD		(14,348,899)	(8,348,149)	(155,710)	(53,412)
Attributable to:					
Equity holders of the Holding Company		(14,347,656)	(8,345,249)	(155,703)	(53,393)
Non-controlling interest		(1,243)	(2,900)	(7)	(19)
		(14,348,899)	(8,348,149)	(155,710)	(53,412)
LOSS PER SHARE - BASIC AND DILUTED		Rupees		US\$	
Loss attributable to:					
- 'A' class Ordinary shares of Rs 10 each		(2.74)	(1.59)	(0.02)	(0.01)
- 'B' class Ordinary shares of Rs 5 each		(1.37)	(0.80)	(0.01)	(0.01)

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Chief Executive Officer


Director



Chief Financial Officer


Chief Financial Officer


PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Three months period ended	
	March 31, 2022	March 31, 2021
	-----Rupees in '000-----	
Loss for the period	(14,348,899)	(8,348,149)
Other comprehensive income		
Loss on re-measurement of derivative - net of tax		
Exchange differences on translation of foreign operations	1,252,337	(607,056)
Total comprehensive income	<u>(13,096,563)</u>	<u>(8,955,205)</u>
Attributable to:		
Equity holders of the Holding Company	(13,215,028)	(8,786,703)
Non-controlling interest	118,466	(168,502)
	<u>(13,096,563)</u>	<u>(8,955,205)</u>

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.




Chief Executive Officer




Chief Executive Officer



Director



Chief Financial Officer




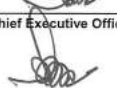
Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022


Note	Three months period ended		Three months period ended		
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
----- Rupees in '000 -----US\$ in '000-----					
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	21	6,894,440	254,186	38,303	1,626
Profit on bank deposits received		33,825	(2,052)	187	(13)
Finance costs paid		(6,805,031)	(4,810,665)	(37,806)	(30,779)
Taxes paid		(45,180)	(34,778)	(251)	(223)
Staff retirement benefits paid		(587,826)	(850,652)	(3,265)	(5,443)
Long-term deposits and prepayments - net		(202,929)	722,872	(1,127)	4,625
Net cash (used in) / generated from operating activities		(712,701)	(4,721,089)	(3,959)	(30,206)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(723,912)	29,217	(4,022)	187
Purchase of Intangibles		-	(2,824)	-	(18)
Restricted Cash		1,647	80,839	9	517
Net cash used in investing activities		(722,265)	26,393	(4,013)	686
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long-term financing		(10,274,372)	(6,740,192)	(57,081)	(43,124)
Proceeds from long-term financing		8,737,632	12,537,973	48,544	80,219
Repayment of lease liabilities		(1,654,906)	(3,214,988)	(9,194)	(20,570)
Net cash generated from financing activities		(3,191,646)	2,582,793	(17,731)	16,525
Increase in cash and cash equivalents		(4,626,612)	(2,111,903)	(25,703)	(12,995)
Cash and cash equivalents at the beginning of the period		13,310,023	6,822,971	73,946	43,654
Currency translation		1,056,624	(443,066)	5,870	(2,835)
Effect of exchange rate fluctuations on cash held		(256,209)	(217,144)	(1,423)	(1,389)
Cash and cash equivalents at the end of the period		9,483,827	4,050,859	52,689	26,429
Cash and Cash equivalents					
Short-term investment		19,220	19,220	107	123
Cash and bank balances	8	11,151,087	4,867,720	61,952	31,144
Running finance under mark-up arrangements		(1,686,480)	(836,080)	(9,370)	(4,838)
		9,483,827	4,050,859	52,689	26,429


The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Executive Officer


 Director


 Chief Financial Officer


 Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

Attributable to the Holding Company's shareholders												
Issued, subscribed, and paid-up capital	Surplus on revaluation of property, plant and equipment-net	Capital reserves	Revenue reserves	Hedging Reserve	Reserves			Legal reserve	Sub Total	Accumulated loss	Non-controlling interest	Total
					Unrealised gain on re-investments	Foreign currency translation reserves	Unrealised gain on re-investments					
Rupees in '000												
52,345,110	71,962,639	2,501,038	1,779,674	-	-	163,074	8,334,221	54,454	12,840,399	(313,742,623)	3,151,484	(373,442,993)
Total comprehensive income for the period:												
Loss for the period												
- Other comprehensive income for the period:												
- Currency translation differences												
- Unrealised gain on re-measurement of investments												
Total comprehensive income for the period transferred to equity												
-	(1,319,927)	-	-	-	-	-	(442,097)	(969)	(443,066)	(7,902,194)	(168,502)	(9,833,679)
Surplus on revaluation of property, plant and equipment transferred during the quarter ended March 31, 2022 on account of asset revalued within off-balance off sheet of tax.												
-	84,394	-	-	-	-	-	-	-	-	(84,394)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
52,345,110	70,727,106	2,501,038	1,779,674	-	-	163,074	7,912,124	53,485	12,397,333	(521,729,203)	2,882,982	(383,276,672)
52,345,110	80,995,363	2,501,038	1,779,674	-	-	257,658	9,177,503	60,136	13,704,339	(565,421,057)	3,605,833	(414,780,412)
Total comprehensive income for the period:												
Loss for the period												
- Currency translation differences												
- Unrealised loss on re-measurement of investments												
-	(3,854,500)	-	-	-	-	-	1,131,855	-	1,096,624	(13,291,032)	118,466	(15,970,531)
Total comprehensive income for the period transferred to equity												
52,345,110	77,130,773	2,501,038	1,779,674	-	-	(75,231)	1,131,855	60,136	14,760,963	(578,712,089)	3,724,299	(430,750,943)
Balance as at March 31, 2022												

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer


Chief Financial Officer


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE Consolidated CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of Pakistan International Airlines Corporation Limited, i.e. the Holding Company, its subsidiaries and an associate.

Pakistan International Airlines Holding Company

Pakistan International Airlines Corporation Limited ("the Holding Company") was incorporated on January 10, 1955 under the Pakistan International Airlines Holding Company Ordinance, 1955, which was subsequently repealed and replaced by the Pakistan International Airlines Holding Company Act, 1956 (the Act). With effect from April 19, 2016, the Holding Company has been converted from a statutory Holding Company into a public limited Holding Company by shares, through Act No. XV of 2016 'The Pakistan International Airlines Holding Company (Conversion) Act, 2016' (the Conversion Act) approved by the Parliament of Pakistan. The Conversion Act has repealed the Pakistan International Holding Company Act, 1956 and the Holding Company is now governed under the Companies Act, 2017 (previously repealed Companies Ordinance, 1984). According to the Conversion Act, all assets, rights, license, privileges and benefits of which the Holding Company was entitled were transferred to the Holding Company and the Holding Company has assumed all liabilities and obligations of the Holding Company. However, the management believes that in substance there is no change except for the legal status and application of provisions of the Companies Act, 2017 (previously repealed Companies Ordinance, 1984).

The principal activity of the Holding Company is to provide commercial air transportation, which includes passenger, cargo and postal carriage services. Other activities of the Holding Company include provision of engineering and allied services.

1.2 The Business Units of the Holding Company include the following:

Business Unit	Geographical Location
Head Office	PIA Head Office, Old Terminal, Karachi

Regional sales offices are located across the country and overseas the details of which is impracticable to disclose in this Consolidated condensed interim financial information as required under Fourth Schedule to the Companies Act, 2017.

Subsidiaries

PIA Investments Limited (PIAIL) was incorporated on September 10, 1977 in Sharjah, United Arab Emirates, as a limited liability Holding Company under a decree issued by H.H. The Ruler of Sharjah and is currently registered in British Virgin Islands. During 1986 PIAIL was registered under International Business Companies Ordinance, 1984 (now BVI Business Companies (Amendment) Act, 2012) as a Holding Company limited by shares. The principal activities are to carry on business as promoters of and investors in projects related to construction, development and operation of hotels, motels and restaurants throughout the world. The Holding Company's controlling interest in PIAIL is 100% (December 2016: 100%). The registered office of PIAIL is situated at Citco Building, Wickham Cay, Road Town, Tortola, British Virgin Islands.

Following are the details of PIAIL's subsidiaries:

	Place of incorporation	Nature of business	Effective ownership and voting power of PIAIL (%)	Effective ownership and voting power of the Holding Company (%)
• Roosevelt Hotel Holding Company, N.V. (RHC)	Netherlands - Antilles	See note (A) below	100	100
• RHC Operating LLC	State of Delaware, USA	Owner of Roosevelt Hotel, New York	100	100
• Minhal France S.a.r.l.	Luxembourg	See note (B)	100	100
• Minhal France B.V.	Netherlands	See note (B)	100	100
• PIA Hotels Limited	British Virgin Islands	See note (B)	100	100
• PIA Aviation Limited (PAL)	British Virgin Islands	See note (B)	100	100
• Avant Hotels (Private) Limited	Pakistan	See note (C)	62.5	62.5
• Minhal France S.A. (MFSA)	France	See note (D)	90	90

Note (A): Roosevelt Hotel Holding Company N.V. (RHC) is the intermediary Holding Company and a sole member of RHC Operating LLC, a Holding Company which owns the Roosevelt Hotel, New York. During the year 2004, to comply with the requirements of the outstanding loans, RHC transferred the net operating assets of the Roosevelt Hotel to RHC Operating LLC.

Note (B): These companies are intermediary holding companies except PIA Hotels Limited and PAL which are dormant companies.

Note (C): Avant Hotels (Private) Limited (Avant) is a joint venture between PIAIL and Pakistan Cricket Board (PCB) being subscribers to 62.5% and 37.5% respectively of Avant's shares. However, Avant is at its planning phase and has not started its commercial activities.

Note (D): Minhal France SA is a subsidiary of Minhal France BV, whose registered office is in Rotterdam, Netherlands. MFSA's activities are principally in the hotel and restaurant sector. MFSA also earns rental income from leasing shop space. The management of the hotel is undertaken by ACCOR with the assistance of PIACL.

PIAIL has been Consolidated in these Consolidated condensed financial information on the basis of its Consolidated financial statements for the year ended December 31, 2021.

Skyrooms (Private) Limited (SRL) was incorporated on May 20, 1975 in Pakistan as a private limited holding Holding Company under the Companies Act, 1913 (now repealed Companies Ordinance, 1984). SRL owns and manages Airport Hotel, Karachi. SRL is a wholly owned subsidiary of the Holding Company. SRL has been Consolidated on the basis of its management accounts for the year ended December 31, 2021 as the same is not considered to be material to these Consolidated condensed interim financial information.

Sabre Travel Network Pakistan (Private) Limited (Sabre) was incorporated in Pakistan on October 12, 2004 as a private Holding Company limited by shares, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Sabre markets and distributes a computer reservation system to subscribers in Pakistan, under a sub-distribution agreement with Sabre Asia Pacific (Pte) Limited (Sabre TN APAC) (an associated Holding Company and joint venture partner), that incorporates a software package which performs various functions including real-time airlines seat reservations, schedules, bookings for a variety of air, car and hotel services, automated ticketing and fare displays. The Holding Company's controlling interest in Sabre is 70%. Sabre has been Consolidated on the basis of its unaudited financial statements for the year ended December 31, 2021 as the same is not considered material to these Consolidated condensed interim financial information.

The other subsidiaries of the Holding Company, PIA Holding (Private) Limited, Midway House (Private) Limited, PIA Shaver Poultry Breeding Farms (Private) Limited and PIA Hotels Limited, had applied under the 'Easy Exit Scheme' announced by the Securities and Exchange Commission of Pakistan (the SECP) for voluntary winding up. Assets and liabilities of these subsidiaries were taken over by the Holding Company, and, accordingly, have not been Consolidated in these Consolidated condensed interim financial information.

The Special Purpose Entities (SPE) formed for acquiring aircrafts have not been Consolidated in these Consolidated condensed interim financial information as the shareholding, controlling interest and risk and rewards of SPE rests with the trustees' representing foreign banks.

Associate

Minhal Incorporated (Minhal), Sharjah was incorporated on January 1, 1977 in Sharjah, United Arab Emirates as a limited liability Holding Company and is currently registered in British Virgin Islands. The principal activities of Minhal are to carry on business as promoters and the managers of projects related to construction, development and operation of hotels, restaurants and clubs throughout the world. The Holding Company's interest in Minhal is 40%.

- 1.3 During the current period, the Company incurred a net loss of Rs. 14,348.899 million (March 30, 2021: Rs. 8,348.149 million) resulting in accumulated losses of Rs. 578,712.089 million as of March 31, 2022 (December 31, 2021: Rs. 565,421.057 million). Further, as of March 31, 2022, current liabilities of the Company exceeded its current assets by Rs. 286,659.551 million (December 31, 2021: Rs. 283,477.621 million).

The management has made an assessment of the Holding Company's ability to continue as a going concern and based on the below mitigating factors, the management believes that though the sustainability of the future operations of the Holding Company is materially dependent on the support of the Government of Pakistan (GoP), no material uncertainty exists and going concern assumption is appropriate. Accordingly, this Consolidated condensed interim financial information is prepared on a going concern basis.

- a) GoP, being the major shareholder of the Holding Company, through its Finance Division's letter dated September 02, 2008 communicated that it would extend all maximum support to maintain the Holding Company's going concern status. Since then it has been extending support to the Holding Company through following measures to ensure that the Holding Company continues and sustains in the long term as a viable business entity:
- long-term financing to meet working capital requirements of the Holding Company;
 - issuance / renewal of guarantees to financial institutions, both local and foreign, enabling the Company to raise / rollover funds;
 - approval for extending repayment period of the term finance certificates;
 - provided funds for acquisition of narrow body aircraft on dry lease; and
 - reimbursement of financial charges on term finance and sukuk certificates.

- b) On December 30, 2017, it was agreed by GoP that mark-up support would be provided on GoP guaranteed loans for five years starting from July 2018 and short-term loans would be converted to long-term with a possibility of grace period. Accordingly, during the fiscal years 2018-19 and 2019-20, Rs. 16,768 million and Rs. 28,263 million (till March 2020) respectively have been provided by the GoP in respect of markup support. Furthermore, during fiscal year 2020-21 (till March 2021), the GoP has provided Rs. 11,794.317 million in respect of markup support.
- c) On April 4, 2019 in another meeting, the Holding Company presented its strategic business plan 2019-23 which was approved and during that meeting GoP assured full support to the Holding Company in terms of provision of funds / equity in order to increase its potential to compete in the Aviation market.
- d) Further, through a letter dated March 04, 2020, GoP through ministry of finance has re-iterated its maximum support to maintain the Holding Company's going concern in the foreseeable future, and extended its further support through letter dated April 24, 2020 for the situation arising due to COVID-19.

- 1.4 During the year ended December 31, 2020, the GoP formed a committee to evaluate the proposal of financial restructuring of the Company, with the aim to make the entity financially sustainable on standalone basis. In this regard, several meetings were held in the year 2020 under the auspices of Honorable Advisor to Prime Minister on Institutional Reforms and Austerity and attended by Secretary Aviation and Secretary Finance amongst other committee members. The recommendations of the committee have been duly reviewed by Economic Coordination Committee (ECC) and recommended for approval of the Federal Cabinet. On the directives of the Federal Government, foreign consultants were engaged to develop a long term business plan for making the Company a viable entity in the long run. This plan was submitted to the concerned ministry of GoP, which approved it after evaluation and forwarded the same to the Federal Cabinet through Ministry of Finance for final approval.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This Consolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Act 2017.

Where the provisions of and directives issued under the Act differ with the requirements of IFRS 34, the provisions of and directives issued under the Companies Act have been followed.

- 2.2 This Consolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and, therefore, should be read in conjunction with the Holding Company's annual Consolidated financial statements for the year ended December 31, 2021.

2.3 Functional and presentation currency

These are separate financial statements of the Holding Company in which investment in subsidiaries and associates are carried at cost less impairment. Further, the Holding Company also prepares consolidated financial statements incorporating the financial results of its subsidiaries. However, the consolidated financial statements for the current period have not been prepared due to non-availability of financial results of the subsidiaries. The Holding Company has filed an application with SECP seeking an exemption from preparation of consolidated financial statements. The management expects a favourable response in this respect.

Items included in the consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. The consolidated condensed interim financial statements are presented in Pakistani Rupees ('PKR', 'Rupees' or 'Rs') which is the Holding Company's functional and presentation currency.

- 2.4 The US Dollar(\$) amounts reported in the consolidated condensed interim statement of financial position, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows are stated as additional information, solely for the convenience of the users of these consolidated condensed interim financial statements. The US Dollar amounts in the consolidated condensed interim statement of financial position have been translated into US Dollar at the rate of Rs. 183.4782 = US\$ 1 (December 2021: Rs. 176.5135 = US\$ 1) and in the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been translated into US Dollar at the rate of Rs. 179.9959 = US\$ 1 (March 2021: Rs. 156.2965 = US\$ 1).

3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The accounting policies and method of computation adopted in the preparation of the consolidated condensed interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Holding Company for the year ended December 31, 2021.

3.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

	Effective date (annual periods beginning on or after)
Amendment to IFRS-3 Business Combination Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Annual Improvement Process IFRS 1 First Time Adoption of International Financial Reporting Standards - Subsidiary as a first time adopter	January 01, 2022
Annual Improvement Process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual Improvement Process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	January 01, 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 01, 2023

The Company is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the consolidated condensed interim financial statements of the Company.

3.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

	Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of IFRSs	July 01, 2023
IFRS 17 - Insurance Contracts	January 01, 2023

3.4 Accounting estimates and judgements

Estimates and judgements made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Company for the year ended December 31, 2021.

		March 31, 2022	December 31, 2021
	Note	(Un-Audited) ----- Rupees in '000 -----	(Audited) ----- Rupees in '000 -----
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	143,746,979	145,627,431
Capital work-in-progress		1,089,253	534,293
		<u>144,836,232</u>	<u>146,161,724</u>
4.1			
Include herein are the following additions / transfer and deletion during current period:		Three months period ended	
		March 31, 2022	March 31, 2021
		(Un-Audited) ----- Rupees in '000 -----	(Un-Audited) ----- Rupees in '000 -----
4.1.1 Owned			
Addition			
Building owned Renovation and improvements		-	1,268
Engineering equipment and tools		701	8,815
Furniture, fixtures and fittings		1,642	1,910
Office equipment		24,804	3,095
Computer and office automation		45,757	2,055
Intangibles		-	26,723
Capital Spares		72,379	16,770
		<u>145,283</u>	<u>60,636</u>
Leased		-	227,693
		<u>145,283</u>	<u>288,329</u>
Deletions / Write offs net book value / Adjustments			
Owned		-	-
Aircraft fleet		-	859,699
Capital Spares		-	-
		<u>145,283</u>	<u>859,699</u>
4.1.2 Capital work in progress			
Additions during the period		554,960	14,263
Transferred to operating assets		-	(32,187)
		<u>554,960</u>	<u>(17,924)</u>
4.2 Depreciation charge for the period has been allocated as under:			
Cost of services - others		3,256,187	3,663,477
Administrative expenses		237,030	270,463
Distribution costs		1,956	2,438
		<u>3,495,173</u>	<u>3,936,378</u>

5 TRADE DEBTS

	March 31, 2022 (Un-Audited) ----- Rupees in '000 -----	December 31, 2021 (Audited)
Considered good		
Due from Government	3,820,693	11,232,274
Due from other customers	17,420,399	3,941,966
	<u>21,241,092</u>	<u>15,174,240</u>
Considered doubtful		
Government related	337,109	337,109
Other customers	5,351,454	5,184,545
	<u>5,688,563</u>	<u>5,521,654</u>
Less: Provision for impairment against doubtful debts	<u>(5,688,563)</u>	<u>(5,521,654)</u>
	<u>21,241,092</u>	<u>15,174,240</u>

6 OTHER RECEIVABLES

	March 31, 2022 (Un-Audited) ----- Rupees in '000 -----	December 31, 2021 (Audited)
Considered good		
Claims receivable	6.1 177,670	310,175
Grant receive from GoP	16,608	16,608
Excise duty	100,000	100,000
Sales tax receivable	6.2 4,782,028	4,745,637
Receivable from GoP	123,339	117,112
	<u>5,199,645</u>	<u>5,289,532</u>
- other than related parties		
Rental income	-	9,631
Others	2,561,058	2,026,504
	<u>7,760,703</u>	<u>7,325,667</u>
Considered doubtful	<u>450,562</u>	<u>450,562</u>
Less: provision for doubtful other receivables	<u>(450,562)</u>	<u>(450,562)</u>
	<u>7,760,703</u>	<u>7,325,667</u>

6.1 This includes sales tax refundable aggregating Rs. 4,745,637 million (December 31, 2021: Rs. 4,745,637 million) representing unadjusted portion of input tax under Sales Tax Act, 1990 (the ST Act). The Company had filed application for refunds of input sales tax up to December 31, 2011. In response, ACIR, Large Taxpayers Unit concluded that as the Holding Company is engaged in both domestic and international air travel, therefore, input tax paid is adjustable only against the domestic air travel services as no input tax adjustment is allowed against the international air travel services.

6.2 The Holding Company in consultation with its tax advisor believes that apportionment rule is not applicable in the subject case inter alia, at first instance, no sales tax was required to be collected at import stage on capital goods (spares / engines / aircraft) in view of the exemption available under entry No. 16 of SRO 575(1)/2006, which is applicable to the Company being registered as a Service Provider in transportation business and registered as service provider under the Act. The management has represented its view to the tax authorities and is confident that sales tax was not payable on such imports and the amounts collected from the Company at the import stage shall be eventually recovered / adjusted.

7 SHORT-TERM INVESTMENTS

March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----	

Fair value through other comprehensive income - unquoted

SITA INC N.V.

325,491 (2021: 325,491) ordinary shares

19,220

19,220

- 7.1 These shares are held by SITA INC. N.V. on behalf of the Holding Company and are transferable subject to certain specified conditions.

March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----	

8 CASH AND BANK BALANCES

Cash

In hand

6,411

1,176

In transit

-

29,907

6,411

31,083

With banks:

Restricted cash

557

-

- in current accounts

9,142,699

11,821,371

- in savings accounts

2,001,420

2,158,838

11,144,676

13,980,209

11,151,087

14,011,292

- 8.1 This has been adjusted by an aggregate amount of Rs. 884.732 million (2021: Rs. 504.244 million), representing book overdrafts.

- 8.2 These carry interest ranging from 0.5% to 8.9% (2021: 0.5% to 8.9%) per annum.

- 8.3 This includes a bank balance of BDT 677.964 million (2021: BDT 674.591 million) equivalent to Rs. 1,443.656 million (2021: Rs. 1,390.803 million) held at National Bank of Pakistan, Dhaka and Habib Bank Limited, Dhaka. The management of the Company is currently facing challenges in remittance of such balance to Pakistan due to compliance / procedural matters. However, the Company holds clean and absolute title of subject bank accounts, being free to make payments / transfers within Bangladesh territory.

9 LONG-TERM FINANCING

March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----	

Borrowings

292,936,337

296,898,060

Sukuk certificates

5,675,000

5,675,000

298,611,337

302,573,060

9.2 Borrowings

Opening

318,647,418

303,606,550

Financing obtained during the period

8,622,646

80,955,649

Repayment during the period

(10,222,410)

(44,389,549)

Exchange gain

2,161,844

8,718,056

319,209,498

354,565,707

Less: Current maturity

(57,485,938)

(51,992,647)

Balance at end of the period

261,723,560

296,898,060

Financier

Type of
facility

Facility
amount
(million)

Repayment
period

Number of
instalments/
Mode

March 31,
2022
(Un-Audited)

From Banking Companies - secured

HBL

Term finance

PKR 17000

2023-2026

60 Monthly

3,000,000

Markup reimbursement from GoP

5,622,646

Total

8,622,646

9.3 During the period, the SBP introduced revision in regulation R-8 of Prudential Regulations through its circular BPRD No. 13 of 2020 to relieve the stress on the corporate / commercial sector arising due to COVID 19 pandemic situation. Under this scheme, the financial institutions have deferred repayments of principal amounts by 6 to 12 months from the date of original maturity, provided that the Company will continue to service the markup amount as per agreed terms and conditions. As a result of this, these loans are repayable starting earliest from October 2021 and ending by April 2022. However, the Company has option to prepay these amounts without any penalty. Out of these principal payments deferred, Rs. 183.478 million has been classified as non current based on unconditional right to defer repayments as their revised maturity dates fall beyond the 12 months period.

10 LEASE LIABILITIES

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----		
Present value of minimum lease payments		
- Aircraft fleet	14,636,988	15,339,172
- Properties	671,572	801,372
	15,308,560	16,140,544
Technical ground equipments	41,058	51,641
	15,349,618	16,192,185
Less: Current maturity of lease liabilities	(5,921,233)	(5,843,802)
	9,428,385	10,348,383

11 TRADE AND OTHER PAYABLES

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----		
Trade creditors		
Goods	25,696,244	22,853,666
Services	19,622,844	13,615,768
Airport related charges	46,902,930	45,690,328
	92,912,815	82,159,762
Other Liabilities		
Accrued liabilities	10,739,392	12,792,963
Advance against transportation (unearned revenue)	15,680,129	11,261,014
VSS employee obligation	-	12,215
Obligation for compensated absences- Holding Company	6,486,815	6,264,113
Unredeemed frequent flyer liabilities	459,890	459,890
Advance from customers	3,534,262	2,238,816
Amount due to Associate undertaking	-	620,454
Advances and deposits	-	57,194
Earnest money	-	248
Payable to Holding Company employees' provident fund	1,637,851	2,950,664
Federal excise duty - International travel	10,858,223	11,694,263
Short-term deposits	614,216	-
Collection on behalf of others	59,470,426	58,894,804
Customs and federal excise duty	2,418,213	2,865,423
Income tax deduct at source	1,628,370	1,681,095
Lease rentals payable to Pakistan Civil Aviation Authority ("PCAA")	13,543	1,064,937
Multi employer pension withdrawal liability	1,674,252	457,497
Others	724,210	284,721
	208,859,586	195,760,073

12 ACCRUED INTEREST

	March 31, 2022 (Un-Audited)	December 31, 2021 (Audited)
	----- Rupees in '000 -----	
Mark-up / profit payable on:		
- long-term financing	12,357,339	11,514,778
- mark-up reimbursement loan from GoP	11,994,917	10,188,427
- sukuk certificates	9,578	8,816
- short-term borrowings	899,439	705,261
- provident fund	8,704,137	8,426,244
	<u>33,965,410</u>	<u>30,843,526</u>

13 SHORT-TERM BORROWINGS - SECURED

Short-term loans	29,860,000	29,860,000
Running finance under mark-up arrangements	1,686,480	720,489
	<u>31,546,480</u>	<u>30,580,489</u>

14 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	March 31 2022 (Un-Audited)	December 31 2021 (Audited)
	-----Rupees in '000-----	
Long-term financing	57,931,106	51,992,647
Liabilities against assets subject to finance lease	5,921,233	5,843,802
	<u>63,852,340</u>	<u>57,836,449</u>

15 CONTINGENCIES AND COMMITMENTS**15.1 Contingencies**

There has been no material change in the status of contingencies as disclosed in notes 31 to the consolidated financial statements for the year ended December 31, 2021.

Three months period ended	
March 31, 2022	March 31, 2021
.....(Un-Audited).....	
Note-----Rupees'000-----	

16 REVENUE - Net

Passenger	30,835,289	12,643,356
Cargo	1,242,776	805,173
Charter	615,627	733,963
Room, food and beverages sales	649,768	114,366
Others	2,047,070	1,560,267
	<u>35,390,530</u>	<u>15,857,125</u>

17 COST OF SERVICES - Others

Salaries, wages and allowances	2,981,345	2,546,777
Welfare and social security costs	267,900	462,026
Retirement benefits	698,774	580,167
Compensated Absences	123,715	50,541
Legal and professional charges	11,260	9,700
Stores and spares consumed	285,937	304,129
Repair, Maintenance and overhaul	3,137,367	1,792,910
Aircraft charter	2,151,950	-
Flight equipment rental	1,578,015	326,304
Landing and handling	4,181,097	1,970,431
Passenger services	417,756	265,601
Crew layover	387,775	258,601
Staff training	17,510	951
Food cost	34,977	5,487
Utilities	19,516	15,901
Communication	495,443	327,686
Insurance	1,067,767	1,670,039
Rent, rates and taxes	221,929	143,047
Printing and stationery	28,767	18,361
Depreciation	3,085,560	3,511,292
Amortization	1,749	3,009
Others	329,772	122,819
	<u>21,525,880</u>	<u>14,385,779</u>

Three months period ended	
March 31, 2022	March 31, 2021
.....(Un-Audited).....	
-----Rupees'000-----	

18 FINANCE COSTS

Mark-up on:		
- long term financing	6,201,590	4,383,882
- Markup on loan from GoP	1,806,491	923,311
- short term borrowings	899,138	676,483
- advance from a subsidiary	33,751	30,348
	<u>8,940,970</u>	<u>6,014,024</u>
Profit on sukuk certificates	159,517	-
Lease Liabilities	245,246	255,633
Interest on pension / provident fund	277,893	177,663
Discounting Income on deposits	48,627	-
Arrangement, agency and commitment fee	43,157	24,759
Bank charges, guarantee commission and other related charges	10,693	10,895
	<u>9,726,102</u>	<u>6,482,973</u>

19 TAXATION

Three months period ended	
March 31, 2022	March 31, 2021
.....(Un-Audited).....	
-----Rupees'000-----	

Current - for the period	156,841	8,090
--------------------------	---------	-------

19.1 Upto the half year ended 30 June 2021, the Holding Company was not recognising income tax on the basis of minimum tax on turnover under Section 113 of Income Tax Ordinance 2001, based on the management's interpretation that Section 113 is not to be levied on the Company's revenue streams (i.e. fare from passenger, cargo freight, and excess luggage fees) as these do not fall under the ambit of "gross fees for rendering of services" as defined in above mentioned section, that would be treated as turnover for the purpose of levying minimum tax. The management's interpretation was in line with the recent decision of Appellate Tribunal Inland Revenue (ATIR) reported as 2019 PTD (Trib.) 416, in case of another airline company, holding that the above mentioned revenues generated by the Holding Company do not fall under the ambit of turnover as defined in section 113 of Income Tax Ordinance, 2001.

19.2 There has been no material change in the status of tax contingencies as disclosed in note 31 to the consolidated financial statements for the year ended December 31, 2021.

20 LOSS PER SHARE - BASIC AND DILUTED

Loss for the period
Weighted average number of ordinary
shares outstanding
Loss per share attributable to
 'A' class ordinary share (Rupees)
 'B' class ordinary share (Rupees)

Three months period ended	
March 31, 2022 (Un-Audited)	March 31, 2021 (Un-Audited)
----- (Rupees in '000) -----	
(14,348,899)	(8,348,149)
5,235,261,117	5,235,261,117
(2.74)	(1.59)
(1.37)	(0.80)

21 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Loss before taxation
Adjustments for non cash items:
Depreciation
Gain on disposal of property, plant and equipment
Amortization
Provision for employees' benefits
Provision for doubtful debts
Finance costs
Unrealised Exchange (Gain) / Loss
Profit on bank deposits
Cash generated from operations before working capital changes

Working capital changes:

Increase in stores and spare parts
(Increase) / Decrease in trade debts
Decrease / (Increase) in advances
(Increase) in trade deposits and prepayments
Decrease / (Increase) in other receivables
Increase in trade and other payables

Cash generated from operations after working capital changes

Three months period ended	
March 31, 2022 (Un-Audited)	March 31, 2021 (Un-Audited)
-----Rupees in '000-----	
(14,192,057)	(8,340,059)
3,495,173	3,936,379
-	(334)
21,860	37,612
1,411,883	1,060,957
-	37,521
9,726,102	6,482,973
3,272,939	(2,886,153)
(33,825)	(2,052)
3,702,074	326,843
(79,292)	(146,474)
(6,066,852)	589,840
(1,119,903)	(347,188)
(487,894)	78,424
(435,036)	5,739,354
11,381,343	(5,986,612)
3,192,366	(72,658)
6,894,440	254,186

22 TRANSACTIONS WITH RELATED PARTIES

Following are the related parties with whom the Holding Company entered into transactions or agreements and / or arrangements in place during the year:

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	92%	Major Shareholder
PIA Investments Limited PIAL	100%	Major Shareholder
Skyrooms (Private) Limited	100%	Major Shareholder
Sabre Travel Network Pakistan (Private) Limited	92%	Major Shareholder

TRANSACTIONS WITH RELATED PARTIES

Name of Related Parties	Direct Shareholding	Relationship
PIA Main Pension Fund	-	Post Retirement Benefits
PIA PALPA Fund	-	Post Retirement Benefits
PIA FENA Fund	-	Post Retirement Benefits
	-	Post Retirement Benefits
Profit oriented state controlled entities	-	State owned / controlled entities
Pakistan State Oil Company Limited	-	State owned / controlled entities
Pakistan Civil Aviation Authority	-	State owned / controlled entities
National Bank of Pakistan	-	State owned / controlled entities
National Insurance Corporation Limited	-	State owned / controlled entities
Federal Board of Revenue	-	State owned / controlled entities
Air Cdre Aamer Altaf	-	Key management personnel
Amanullah Qureshi	-	Key management personnel
Amir Ali	-	Key management personnel
Amos Nadeem	-	Key management personnel
Air Marshal Arshad Malik	-	Key management personnel
AVM Irfan Zaheer	-	Key management personnel
Air Cdre Jawad Zafar Chaudhry	-	Key management personnel
Air Cdre Jibran Saleem Butt	-	Key management personnel
Air Cdre Khalid Ur Rehman	-	Key management personnel
Maj Khuram Mushtaq	-	Key management personnel
Mohsin Ausaf Khan	-	Key management personnel
AVM Muhammad Amir Hayat	-	Key management personnel
Dr. Muhammad Altaf Tahir	-	Key management personnel
Air Cdre Shahid Qadir	-	Key management personnel
Syed Ali Tahir Qasim	-	Key management personnel
Syed Asif Gilani	-	Key management personnel

The related parties of the Holding Company comprise of subsidiaries, profit oriented state-controlled entities, directors, key management personnel and employee benefit funds. The Holding Company in the normal course of business carries out transactions with various related parties. The transactions with related parties, other than those relating to issuance of tickets at concessional rates to employees and directors according to the terms of employment / regulations and those not mentioned elsewhere in these consolidated condensed interim financial statements are as follows:

Name of Related Parties and relationship with the Holding	Nature of transactions	March 31, 2022 (Un-Audited)	March 31, 2021 (Un-Audited)
		-----Rupees in '000 -----	
Skyrooms (Private) Limited - Subsidiary			
	Payment made against in-transit passenger	16,469	9,065
	Services hired	188,634	55,937
Retirement funds			
	Contribution to provident Fund and other	511,559	367,610
	Interest on Loan from pension / provident f	277,893	177,663
Pakistan State Oil - PSO			
	Purchase of Fuel	7,154,832	2,478,517
	Late payment interest	233,066	213,223
Civil Aviation Authority - CAA			
	Airport Related charges	3,537,583	1,702,923
National Insurance Company - NICL			
	Insurance premium	1,067,160	240,968
National Bank of Pakistan - NBP			
	Finance cost charged	1,160,525	877,509
GoP - Major shareholder			
	Finance cost	2,003,751	1,120,571
Key Management Personnel			
	Salaries, wages and other benefits	34,792	32,245

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

23.1 Financial risk factors

The Holding Company activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk

This consolidated condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Holding Company's annual financial statements as at December 31, 2021. There have been no changes in any risk management policies since the year end.


23.2 Fair value estimation

As at March 31, 2022, all the Holding Company's assets and liabilities are carried at cost except for those mentioned below:


- a) The Holding Company's leasehold land, buildings on leasehold land are stated at revalued amounts, being the fair value at the date of revaluation, less accumulated depreciation and subsequent accumulated impairment losses, if any;
- b) The Holding Company classifies long-term investments in listed companies measured in the consolidated condensed interim statement of financial position at fair values; and
- c) The carrying value of all financial and non-financial assets and liabilities measured at other than cost in these consolidated condensed interim financial information approximate their fair values.

24 DATE OF AUTHORISATION FOR ISSUE

These Consolidated condensed interim financial information were authorized for issue by the Board of Directors of the holding Holding Company in their meeting held on 24 June, 2022.



Chief Executive Officer



Chief Executive Officer



Director



Chief Financial Officer



Chief Financial Officer



PAKISTAN
International Airlines
Great People to Fly With

Company Secretary

PIA Headquarters,
Jinnah International Airport,
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