

**FORM – 8**

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

CS/PSX/2QTR-FS22/22


September 19, 2022

**TRANSMISSION OF QUARTERLY REPORT**  
**FOR THE PERIOD ENDED JUNE 30, 2022**

Dear Sir,

1. We have to inform you that the Quarterly Report of the Company for the period ended June 30, 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,

  
Chief Officer  
Dr Muhammad Altaf Tahir  
(Company Secretary)

**Encl:** As stated above



PAKISTAN  
International Airlines  
*Great People to Fly With*

Pursuing the National Vision



# HALF YEARLY REPORT 2022

# CONTENTS

Corporate Profile	02
Board of Directors' Committees	04
Directors' Report	05
Auditors' Report	07
Unconsolidated Financial Statements	09
Consolidated Financial Statements	27

# CORPORATE PROFILE

As at August 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

**Mr Muhammad Humair Karim**  
Additional 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

**Mr Amanullah Qureshi**  
Chief Operating Officer &  
Chief of Training & Development

**Mr Nousherwan Adil**  
Acting Chief Commercial Officer

**Mr Amos Nadeem**  
Chief Financial Officer

**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](mailto:info@cdcpak.com)

Website: [www.cdcpakistan.com](http://www.cdcpakistan.com)

### BANKERS

Al Barka 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: 0092-21-9904 40000

UAN: 111-786-786

Web: [www.piac.com.pk](http://www.piac.com.pk)

# BOARD COMMITTEES

As at August 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 JUNE 30, 2022

On behalf of the Directors of Pakistan International Airlines Corporation Limited, we are pleased to present the performance report along with the condensed financial statements for the six-month period ended June 30, 2022.

The financial results for the period are summarized below;

Profit & Loss Statement	Period Ended June 30	
	2022	2021
	(PKR in Millions)	
<b>Revenue</b>	<b>71,195</b>	<b>27,641</b>
Cost of Services		
Fuel Cost	(30,578)	(7,631)
Other Cost of Services	(44,960)	(29,216)
<b>Gross Profit/ (Loss)</b>	<b>(4,342)</b>	<b>(9,206)</b>
Other Operating Expenses	(6,154)	(5,316)
Other Income	4,130	943
<b>Profit/(Loss) from Operations</b>	<b>(6,366)</b>	<b>(13,579)</b>
Exchange Gain/(Loss)	(13,835)	1,324
Finance Cost	(21,118)	(12,749)
<b>Loss Before Taxation</b>	<b>(41,319)</b>	<b>(25,005)</b>
<b>Loss After Taxation</b>	<b>(41,853)</b>	<b>(25,013)</b>

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, the Airline posted a growth of 158% in its revenues as compared to the corresponding period last year. This resulted in the reduction of Gross Loss and Operating Loss of Rs. 4,863 million and Rs. 7,212 million respectively as compared to a Gross Loss and Operating Loss of Rs. (9,206) million and Rs. (13,579) million respectively during corresponding period last year.

The Airline continues to face liquidity problems which resulted in increased borrowings, pushing the finance cost up by 65% while rise in Interest rates also contributed to this increase. Due to devaluation of Pak Rupee during the period, the Airline posted an Exchange loss of Rs. (13,835) million against gain of Rs. 1,324 million during corresponding period last year. Furthermore, unprecedented rise in fuel prices was also a contributory factor for the operating loss of the Company. All these 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 of the 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.

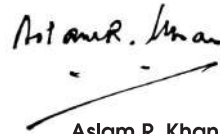
PIA Management is focusing on further enhancing the revenues by expanding the customer base of the Airline. Rigorous efforts are being made to explore new destinations and avenues to commence its operations, several new destinations were added during the half-yearly period while frequencies were enhanced 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 Company, 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**  
Chief Executive Officer



**Aslam R. Khan**  
Chairman

**August 24, 2022**



## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Pakistan International Airlines Corporation Limited**

**Report on review of unconsolidated condensed interim financial statements**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pakistan International Airlines Corporation Limited ("the Company") as at June 30, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as at and for the six-month period ended June 30, 2022 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Emphasis of matter**

We draw attention to the following:

- i. Note 1.2 to the unconsolidated condensed interim financial statements which inter-alia states that in view of the financial position of Company, the Government of Pakistan has confirmed to extend necessary financial support to the Company to maintain its going concern status. Hence, the sustainability of the future operations of the Company is dependent on the said support.

- ii. Notes 10 and 11 to the unconsolidated condensed interim financial statements which state that an aggregate amount of Rs. 8,982.788 million was payable to the Pakistan International Airlines Corporation Provident Fund (the Provident Fund) representing Rs. 401.661 million on account of the Company and employees' contributions and Rs. 8,581.127 million being markup payable thereon. However, the said amount was not deposited within the stipulated time of fifteen days to the Provident Fund as required under Section 218 of the Companies Act, 2017.
- iii. Note 13 to the unconsolidated condensed interim financial statements read with note 30.1 and note 38.1 to the annual financial statements for the year ended December 31, 2021 which state that the Company is exposed to various tax and other contingencies, the ultimate outcome of which cannot presently be determined and, accordingly, no provision has been made by the management in respect of these contingencies in the unconsolidated condensed interim financial statements.

Our conclusion is not modified in respect of the above matters.

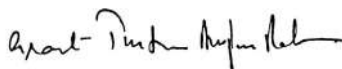
#### Other matter

The figures of unconsolidated condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended June 30, 2022 and June 30, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2022.

The engagement partners on the review resulting in this independent auditors' review report are **Tariq Feroz Khan** and **Muhammad Khalid Aziz**.



**BDO Ebrahim & Co.**  
Chartered Accountants



**Grant Thornton Anjum Rehman**  
Chartered Accountants

**Place:** Karachi

**Date:** September 15, 2022

**UDIN:** RR2022101664hK6ETvXH

**Place:** Karachi

**Date:** September 15, 2022

**UDIN:** RR202210154yT3OAZI4K

UNCONSOLIDATED  
**FINANCIAL**  
STATEMENTS



PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT JUNE 30, 2022

		June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	
Note		(Rupees in '000)		(US\$ in '000)		
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
	Property, plant and equipment	4	92,220,721	91,030,118	445,841	515,712
	Investment property	5	1,109,843	244,471	5,366	1,385
	Intangibles		228,308	272,027	1,104	1,541
	Long-term investments		4,682,765	4,675,332	22,639	26,487
	Long-term loan to subsidiaries		1,215,325	779,343	5,875	4,415
	Long-term deposits		3,457,691	4,271,235	16,716	24,198
<b>TOTAL NON-CURRENT ASSETS</b>			102,914,653	101,272,526	497,541	573,738
<b>CURRENT ASSETS</b>						
	Stores and spares		3,609,938	2,915,991	17,452	16,520
	Trade debts	6	19,548,903	14,925,854	94,509	84,559
	Advances		3,562,991	3,051,709	17,225	17,289
	Trade deposits and short-term prepayments		5,436,086	4,444,401	26,281	25,179
	Other receivables	7	7,364,013	7,240,000	35,601	41,017
	Short-term investments		19,220	19,220	93	109
	Cash and bank balances	8	10,215,806	12,496,332	49,388	70,795
<b>TOTAL CURRENT ASSETS</b>			49,756,957	45,093,507	240,549	255,468
<b>TOTAL ASSETS</b>			152,671,610	146,366,033	738,090	829,206
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
	Issued, subscribed and paid-up share capital		52,345,110	52,345,110	253,062	296,550
	Reserves		4,545,803	4,538,368	21,977	25,711
	Surplus on revaluation of property, plant and equipment - net		10,925,509	10,961,836	52,819	62,102
	Accumulated losses		(607,125,291)	(565,308,919)	(2,935,146)	(3,202,638)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			(539,308,869)	(497,463,605)	(2,607,288)	(2,818,275)
<b>NON CURRENT LIABILITIES</b>						
	Long-term financing	9	285,010,652	272,685,376	1,377,883	1,544,841
	Lease liabilities		13,511,827	10,348,383	65,323	58,627
	Advances from subsidiaries		8,476,836	7,259,407	40,981	41,127
	Deferred liabilities		42,106,293	39,821,428	203,563	225,600
<b>TOTAL NON-CURRENT LIABILITIES</b>			349,105,608	330,114,594	1,687,750	1,870,195
<b>CURRENT LIABILITIES</b>						
	Trade and other payables	10	207,883,356	192,089,706	1,005,012	1,088,243
	Unclaimed dividend - Preference shares		3,297	3,297	16	19
	Accrued interest	11	38,503,143	32,378,420	186,143	183,433
	Taxation - net		1,908,509	1,182,288	9,226	6,698
	Short-term borrowings - secured	12	30,783,022	30,580,489	148,820	173,247
	Current maturity of non-current liabilities		63,793,544	57,480,844	308,411	325,646
<b>TOTAL CURRENT LIABILITIES</b>			342,874,871	313,715,044	1,657,628	1,777,286
<b>TOTAL LIABILITIES</b>			691,980,479	643,829,638	3,345,378	3,647,481
<b>TOTAL EQUITY AND LIABILITIES</b>			152,671,610	146,366,033	738,090	829,206
<b>CONTINGENCIES AND COMMITMENTS</b>						
13						

13

The annexed notes 1 to 24 form an integral part of these 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 SIX MONTHS PERIOD ENDED JUNE 30, 2022

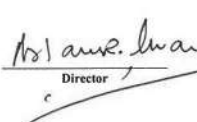
	Note	Six months period ended		Quarter ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Rupees in '000)				(US\$ in '000)	
<b>Revenue - net</b>	14	71,195,627	27,640,968	36,681,321	12,137,549	371,429	174,183
<b>Cost of services</b>							
Aircraft fuel		(30,577,846)	(7,630,852)	(18,473,038)	(3,342,897)	(159,525)	(48,087)
Others	15	(44,959,684)	(29,215,803)	(23,841,635)	(14,394,038)	(234,556)	(184,107)
		(75,537,530)	(36,846,655)	(42,314,673)	(17,736,935)	(394,081)	(232,194)
<b>Gross loss</b>		(4,341,903)	(9,205,687)	(5,633,352)	(5,599,386)	(22,652)	(58,011)
Distribution costs		(2,914,613)	(2,189,063)	(1,520,774)	(1,138,691)	(15,206)	(13,795)
Administrative expenses		(2,920,598)	(2,598,238)	(1,473,104)	(1,325,846)	(15,237)	(16,373)
Other provisions and adjustments - net		(319,150)	(528,749)	(86,066)	(360,810)	(1,665)	(3,332)
Other income	16	4,130,223	942,760	2,230,231	262,344	21,547	5,941
		(2,024,138)	(4,373,291)	(849,713)	(2,563,004)	(10,561)	(27,559)
<b>Loss from operations</b>		(6,366,041)	(13,578,978)	(6,483,065)	(8,162,390)	(33,213)	(85,570)
Exchange (loss) / gain - net		(13,835,121)	1,323,584	(10,108,037)	(2,820,291)	(72,178)	8,341
<b>Loss before interest and taxation</b>		(20,201,162)	(12,255,394)	(16,591,102)	(10,982,681)	(105,391)	(77,229)
Finance costs	17	(21,117,570)	(12,749,352)	(11,391,612)	(6,509,154)	(110,171)	(80,342)
<b>Loss before taxation</b>		(41,318,732)	(25,004,746)	(27,982,714)	(17,491,835)	(215,562)	(157,571)
Taxation	18	(533,967)	(8,497)	(275,110)	(3,470)	(2,786)	(54)
<b>Net loss for the period</b>		(41,852,699)	(25,013,243)	(28,257,824)	(17,495,305)	(218,348)	(157,625)
		(Rupees)				(US\$)	
<b>Loss per share - basic and diluted</b>	19						
Loss attributable to:							
'A' class ordinary shares of Rs. 10 each		(7.99)	(4.78)	(5.40)	(3.34)	(0.04)	(0.03)
'B' class ordinary shares of Rs. 5 each		(4.00)	(2.39)	(2.70)	(1.67)	(0.02)	(0.02)


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

  
Chief Executive Officer

  
Chief Executive Officer

  
Chief Financial Officer


  
Director


  
Chief Financial Officer


PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

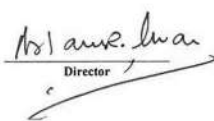
	Six months period ended		Quarter ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in '000)				(US\$ in '000)	
Net loss for the period	(41,852,699)	(25,013,243)	(28,257,825)	(17,495,305)	(218,348)	(157,625)
<b>Other comprehensive income:</b>						
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss						
Unrealised gain / (loss) on re-measurement of investments at FVOCI	7,433	(8,648)	(22,479)	(8,648)	39	(54)
<b>Total comprehensive loss for the period</b>	<u>(41,845,266)</u>	<u>(25,021,891)</u>	<u>(28,280,304)</u>	<u>(17,503,953)</u>	<u>(218,309)</u>	<u>(157,679)</u>


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


  
 Chief Executive Officer


  
 Chief Executive Officer


  
 Chief Financial Officer


  
 Director


  
 Chief Financial Officer

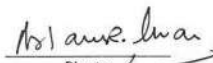
PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

		Six months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		(Rupees in '000)		(US\$ in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations	20	10,760,915	202,980	56,140	1,279
Profit on bank deposits received		51,529	13,520	269	85
Finance costs paid		(14,992,847)	(9,303,471)	(78,218)	(58,627)
Taxes paid		(152,162)	(39,425)	(794)	(248)
Staff retirement benefits paid		(1,551,124)	(1,267,646)	(8,092)	(7,988)
Long-term deposits and prepayments - net		813,544	103,868	4,244	655
<b>Net cash used in operating activities</b>		<b>(5,070,145)</b>	<b>(10,290,174)</b>	<b>(26,451)</b>	<b>(64,844)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(2,966,769)	(234,696)	(15,478)	(1,479)
Purchase of intangible assets		-	(58,341)	-	(368)
Disbursement of loan to a subsidiary		(435,983)	-	(2,275)	-
Proceeds from sale of property, plant and equipment		-	465	-	3
<b>Net cash used in investing activities</b>		<b>(3,402,752)</b>	<b>(292,572)</b>	<b>(17,753)</b>	<b>(1,844)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from long-term financing		28,288,908	29,924,006	147,584	188,571
Repayment of long-term financing		(18,799,346)	(14,554,698)	(98,077)	(91,718)
Repayment of lease liabilities		(3,480,504)	(5,081,110)	(18,156)	(32,019)
<b>Net cash generated from financing activities</b>		<b>6,009,058</b>	<b>10,288,198</b>	<b>31,351</b>	<b>64,834</b>
<b>Decrease in cash and cash equivalents</b>		<b>(2,463,839)</b>	<b>(294,548)</b>	<b>(12,853)</b>	<b>(1,854)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>11,775,843</b>	<b>5,023,148</b>	<b>61,435</b>	<b>31,654</b>
<b>Cash and cash equivalents at end of the period</b>		<b>9,312,004</b>	<b>4,728,600</b>	<b>48,581</b>	<b>29,800</b>
<b>Cash and cash equivalents</b>					
Short-term investments		19,220	450,854	100	2,862
Cash and bank balances	8	10,215,806	5,232,436	53,296	33,213
Running finance under mark-up arrangements	12	(923,022)	(954,691)	(4,815)	(6,277)
		9,312,004	4,728,600	48,581	29,800

The annexed notes 1 to 24 form an integral part of these 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 SIX MONTHS PERIOD ENDED JUNE 30, 2022


	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
<b>Balance as at January 01, 2021</b>	52,345,110	2,501,038	163,074	11,039,369	13,703,481	1,779,674
Total comprehensive income / (loss)	-	-	-	-	-	-
Loss for the period	-	-	(8,648)	-	(8,648)	-
Other comprehensive loss for the period	-	-	(8,648)	-	(8,648)	-
<b>Balance as at June 30, 2021</b>	52,345,110	2,501,038	154,426	10,998,875	13,654,339	1,779,674
<b>Balance as at January 01, 2022</b>	52,345,110	2,501,038	257,658	10,961,836	13,720,532	1,779,674
Total comprehensive income / (loss)	-	-	-	-	-	-
Loss for the period	-	-	7,433	-	7,433	-
Other comprehensive income for the period	-	-	7,433	-	7,433	-
<b>Balance as at June 30, 2022</b>	52,345,110	2,501,038	265,091	10,925,509	13,691,638	1,779,674
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	(36,327)	(36,327)	-
<b>Balance as at June 30, 2022</b>	52,345,110	2,501,038	265,091	10,925,509	13,691,638	1,779,674


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

  
Chief Executive Officer

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

  
Chief Financial Officer

**PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 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. The head office of the Company is situated at PIA Building, Jinnah International Airport, Karachi.

- 1.2 During the current period, the Company incurred a net loss of Rs. 41,582.699 million (June 30, 2021: Rs. 25,013.243 million) resulting in accumulated losses of Rs. 607,125.291 million as of June 30, 2022 (December 31, 2021: Rs. 565,308.919 million). Further, as of June 30, 2022, current liabilities of the Company exceeded its current assets by Rs. 293,117.914 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 June 2022), Rs. 16,768 million, Rs. 28,263 million, Rs. 19,072 million and Rs. 21,850 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.

## **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;
- investment properties are carried at fair value;
- 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. 206.8467 = 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 average rate of Rs. 191.6801 = US\$ 1 (June 2021: Rs. 158.6891 = 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 adopted during the period**

There are certain amendments to accounting standards that are mandatory for the Company's accounting period beginning on January 01, 2022, but are considered either to be not relevant or to not have any significant effect on the

Company's operation and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

### 3.3 Standards not yet effective

There are certain new standards, amendments and interpretations to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 1 July 2022. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

### 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 unconsolidated annual financial statements of the Company for the year ended December 31, 2021.

		June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets			
- owned	4.1	69,347,038	73,418,994
- right of use asset	4.2	19,693,444	17,076,831
		89,040,482	90,495,825
Capital work-in-progress	4.3	3,180,239	534,293
		92,220,721	91,030,118
		June 30, 2022 (Un-Audited)	June 30, 2021
		----- (Rupees in '000) -----	
<b>4.1 Owned</b>			
- Additions during the period			
Building		110,086	1,478
Engineering equipment and tools		7,510	15,509
Furniture, fixtures and fittings		3,134	3,998
Equipment		33,892	8,006
Computer and office automation		57,487	10,890
Works & Hanger		17	-
Capital Spares		108,692	118,918
		320,818	158,799
- Transfers to investment property			
Land		611,600	-
Building		225,375	-
	5	836,975	-
<b>4.2 Right of use assets</b>			
- Additions during the period			
Aircraft		5,138,307	-
Building		220,258	55,477
		5,358,565	55,477
<b>4.3 CWIP</b>			
Additions during the period		2,740,041	206,992
Transferred to operating assets		(94,850)	(31,831)
		2,645,191	175,161
<b>4.4 Depreciation charge for the period:</b>			
Cost of services - others		6,287,675	6,606,604
Distribution costs		3,965	4,876
Administrative expenses		6,114	7,529
		6,297,754	6,619,009



## 5. INVESTMENT PROPERTY

Balance at beginning of the period / year		244,471	-
Additions during the period		28,397	-
Transfer from operating fixed assets	4.1.1	836,975	206,186
Gain on revaluation		-	38,285
Balance at end of the period / year		<u>1,109,843</u>	<u>244,471</u>

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note	----- (Rupees in '000) -----	

## 6. TRADE DEBTS

### Considered good

Due from Government	4,710,442	3,941,966
Due from other customers	14,838,461	10,983,888
	<u>19,548,903</u>	<u>14,925,854</u>

### Considered doubtful

Government related	337,109	337,109
Other customers	5,052,170	4,846,811
Less: Allowance for expected credit loss	<u>(5,389,279)</u>	<u>(5,183,920)</u>
	<u>-</u>	<u>-</u>
	<u>19,548,903</u>	<u>14,925,854</u>

## 7. OTHER RECEIVABLES

### Considered good - Related parties

Sales tax receivable	7.1	4,745,637	4,745,637
Government of Pakistan		161,491	133,720
PIA Investments Limited		70,093	2,023
Receivable from NICL		218,628	310,175
Excise duty		<u>100,000</u>	<u>100,000</u>
		5,295,849	5,291,555

### Other than related parties

Others	2,068,164	1,948,445
--------	-----------	-----------

### Considered doubtful

Less: Provision for impairment against doubtful other receivables	623,917	450,562
	<u>(623,917)</u>	<u>(450,562)</u>
	<u>-</u>	<u>-</u>
	<u>7,364,013</u>	<u>7,240,000</u>

- 7.1 This represents 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 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.

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.

	Note	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>8 CASH AND BANK BALANCES</b>			
Cash			
In hand		3,264	1,483
With banks:			
- in current accounts	8.1	7,906,693	10,346,921
- in deposit accounts	8.2 & 8.3	2,305,849	2,147,928
		10,212,542	12,494,849
		10,215,806	12,496,332
8.1 This has been adjusted by an aggregate amount of Rs. 434.140 million (December 31, 2021: Rs. 504.244 million), representing book overdrafts.			
8.2 These carry interest ranging from 0.5% to 13.5% (December 31, 2021: 0.5% to 8.9%) per annum.			
8.3 This includes a bank balance of BDT 672.654 million (December 31, 2021: BDT 674.591 million) equivalent to Rs. 1,486.700 million (December 31, 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.			

	Note	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>9. LONG-TERM FINANCING</b>			
Borrowings	9.1	279,842,317	267,010,376
Sukuk certificates		5,675,000	5,675,000
Less: Unamortised transaction cost		(506,665)	
		285,010,652	272,685,376
<b>9.1 Borrowings</b>			
Balance at beginning of the period / year		318,647,418	277,230,558
Financing obtained during the period / year	9.2	84,972,977	80,145,433
Repayments made during the period / year		(74,976,751)	(44,188,607)
Exchange loss		8,792,117	5,460,034
		337,435,760	318,647,418
Less: Current maturity		(57,593,443)	(51,637,042)
Balance at end of the period / year		279,842,317	267,010,376

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
Habib Bank Limited	Term finance	PKR 17000	2023-2026	60 Monthly	10,000,000
Bank of Punjab	Term finance	PKR 56177	2024-2032	96 Monthly	56,177,404
Askari Bank Limited	Term finance	PKR 12000	2024-2029	60 Monthly	5,000,000
Markup reimbursement from GoP					13,795,573
<b>Total</b>					<b>84,972,977</b>

		June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>10. TRADE AND OTHER PAYABLES</b>			
<b>Trade creditors</b>			
Goods		25,260,501	22,853,666
Services		22,237,193	13,615,768
Airport related charges		49,168,199	44,746,336
		96,665,893	81,215,770
<b>Others</b>			
Accrued liabilities	10.1	7,962,148	12,136,774
Employees VSS obligations		10,054	12,215
Advance against transportation (unearned revenue)		19,121,906	11,261,014
Obligation for compensated absences		6,703,329	6,264,113
Unredeemed frequent flyer liabilities		459,890	459,890
Advances from customers		2,972,369	2,238,816
Employees Provident Fund	10.2	401,661	2,916,046
Collection on behalf of others		59,737,208	58,894,804
Customs, federal excise duty and sales tax		2,009,573	2,865,423
Federal excise duty - International travel		9,564,077	11,694,263
Income tax deducted at source		1,644,259	1,673,081
Short term deposits		630,989	457,497
		<u>207,883,356</u>	<u>192,089,706</u>

10.1 This includes total management fee upto June 30, 2022 amounting to Rs. 177.974 million (December 31, 2021: Rs. 186.096 million) payable to PIA Investments Limited, a subsidiary company.

10.2 This represents amount deducted from employees on account of contribution to Provident Fund, the Company's own contribution and deductions from employees on account of loan recoveries on behalf of Provident Fund which is payable to Pakistan International Airlines Corporation Provident Fund, which could not be paid within 15 days as required by Section 218 of the Act, 2017 due to the liquidity constraints. Hence, mark-up thereon have been accrued based on the discount rate as announced by the State Bank of Pakistan upto April 19, 2016 and thereafter based on 1 month KIBOR.

		June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>11. ACCRUED INTEREST</b>			
Mark-up / profit payable on:			
- long-term financing		12,109,856	11,482,403
- mark-up reimbursement loan from GoP		14,573,972	10,188,427
- Unamortised transaction cost		279,074	-
- sukuk certificates		9,441	8,816
- short-term borrowings		1,020,274	705,261
- provident fund		8,581,127	8,426,244
- advance from PIAIL		1,929,399	1,567,269
		<u>38,503,143</u>	<u>32,378,420</u>
<b>12. SHORT-TERM BORROWINGS - SECURED</b>			
Short-term loans		29,860,000	29,860,000
Running finance under mark-up arrangements		923,022	720,489
		<u>30,783,022</u>	<u>30,580,489</u>



### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1 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, except for the amounts claimed by the Civil Aviation Authority which are not acknowledged by the Company amounting to Rs. 40,548 million as of June 30, 2022 (December 31, 2021: Rs. 38,048.147 million).

#### 13.2 Commitments

- a) Commitments for capital expenditure amounted to Rs. 42.278 million (December 31, 2021: Rs. 176.411 million).
- b) Outstanding letters of guarantee amounted to Rs. 294.875 million (December 31, 2021: Rs. 275.836 million).
- c) In 2012, the Company has entered into an agreement for purchase of aircraft, the remaining commitments of which aggregate to US\$ 1,527.904 million (December 31, 2021: US\$ 1,527.904 million) equivalent to Rs. 316,041.900 million (December 31, 2021: Rs. 269,695.683 million) based on catalogue prices. The Company has not made certain payments on its due dates as per the terms of the agreement.

Six months period ended		Quarter ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Un-Audited)			
(Rupees in '000)			

#### 14. REVENUE - NET

Passenger	63,398,043	20,664,048	32,562,753	8,020,692
Cargo	2,942,489	1,892,383	1,699,712	1,087,210
Charter services	1,284,931	1,958,975	669,304	1,225,011
Others	3,570,165	3,125,563	1,749,551	1,804,635
	<u>71,195,627</u>	<u>27,640,968</u>	<u>36,681,321</u>	<u>12,137,548</u>

Six months period ended		Quarter ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Un-Audited)			
(Rupees in '000)			

#### 15. COST OF SERVICES - OTHERS

Salaries, wages and allowances	5,454,525	4,744,197	2,713,107	2,325,277
Welfare and social security costs	545,050	782,191	277,150	323,151
Retirement benefits	1,405,206	1,160,359	706,432	580,192
Compensated absences	247,415	99,023	123,701	48,482
Legal and professional charges	19,097	16,649	9,523	7,256
Stores and spares consumed	921,856	541,378	635,919	237,249
Maintenance and overhaul	6,250,788	4,039,839	3,115,714	2,246,929
Flight equipment rental	3,953,851	1,109,786	2,375,836	783,482
Aircraft Charter	3,763,813	1,224,398	1,611,863	595,929
Landing and handling	9,043,186	3,556,130	4,862,089	1,585,699
Passenger services	918,242	411,299	500,486	146,031
Crew layover	778,731	430,713	390,956	172,112
Staff training	15,962	2,419	10,010	1,711
Utilities	20,758	15,361	11,351	8,650
Communication	1,202,106	611,616	708,420	289,152
Insurance	2,610,113	3,259,374	1,542,346	1,589,335
Rent, rates and taxes	542,653	262,271	326,119	124,619
Printing and stationery	101,748	95,751	72,981	77,390
Depreciation	6,287,675	6,606,604	3,204,134	3,099,014
Amortisation on intangibles	3,498	6,173	1,749	3,164
Others	873,411	240,272	641,750	149,214
	<u>44,959,684</u>	<u>29,215,803</u>	<u>23,841,636</u>	<u>14,394,038</u>

## 16. OTHER INCOME

This includes liabilities written back during the period amounting to Rs 3,392.592 million.

	Six months period ended		Quarter ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Un-Audited)		(Un-Audited)	
	(Rupees in '000)		(Rupees in '000)	
<b>17. FINANCE COSTS</b>				
<b>Mark-up / profit / interest on :</b>				
long-term financing	18,641,506	10,363,155	10,474,053	5,298,739
short-term borrowings	1,920,180	1,357,322	1,021,042	680,839
advance from PIAIL	82,694	59,171	48,943	28,822
lease liabilities	530,195	469,935	284,949	214,302
Arrangement, agency and commitment fee	170,097	150,325	126,940	125,567
Bank and other charges	342,851	349,444	5,638	160,886
Less: Finance cost capitalized during the year	(569,953)	-	(569,953)	-
	<u>21,117,570</u>	<u>12,749,352</u>	<u>11,391,612</u>	<u>6,509,154</u>

	Six months period ended		Quarter ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Un-Audited)		(Un-Audited)	
	(Rupees in '000)		(Rupees in '000)	

## 18. TAXATION

Current tax	533,967	8,497	275,110	3,470
-------------	---------	-------	---------	-------

18.1 The tax charge for the current period is based on minimum tax on turnover under section 113 of Income Tax Ordinance 2001. However, upto the half year ended 30 June 2021, the Company was not recognising income tax under the said section 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 did 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 decision of Appellate Tribunal Inland Revenue (ATIR) reported as 2019 PTD (Trib.) 416, in case of another airline company.

18.2 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.

	Six months period ended	
	June 30, 2022	June 30, 2021
	(Un-Audited)	
	(Rupees in '000)	

## 19. LOSS PER SHARE - BASIC AND DILUTED

Loss for the period	(41,852,699)	(25,013,243)
Weighted average number of ordinary shares outstanding	<u>5,235,261,117</u>	<u>5,235,261,117</u>
Loss per share attributable to		
'A' class ordinary share (Rupees)	(7.99)	(4.78)
'B' class ordinary share (Rupees)	(4.00)	(2.39)

	Six months period ended	
	June 30, 2022	June 30, 2021
	(Un-Audited)	
	(Rupees in '000)	

## 20. CASH GENERATED FROM OPERATIONS

Loss before taxation	(41,318,732)	(25,004,746)
Adjustments for:		
Depreciation	6,297,754	6,619,010
Gain on disposal of property, plant and equipment	-	(322)
Amortisation of intangibles	43,719	77,160
Provision for slow moving stores and spares	(359,845)	264,403
Provision for expected credit loss	205,358	109,851
Provision against other receivables	173,355	-
Provision for employee benefits	2,842,869	2,112,115
Provision for redelivery cost	1,432,338	4,319
Finance cost	21,117,570	12,749,352
Unrealised exchange loss	11,986,463	(1,222,509)
Profit on bank deposits	(51,529)	(13,520)
	<u>2,369,320</u>	<u>(4,304,887)</u>
Working capital changes		
(Increase) in stores and spares	(334,102)	(162,567)
(Increase) / decrease in trade debts	(4,828,407)	(384,265)
(Increase) in advances	(511,276)	24,553
(Increase) / decrease in trade deposits and prepayments	(991,685)	(806,792)
(Increase) / decrease in other receivables	(297,368)	8,836,077
Increase / (decrease) in trade and other payables	<u>15,354,433</u>	<u>(2,999,139)</u>
	<u>8,391,595</u>	<u>4,507,867</u>
	<u>10,760,915</u>	<u>202,980</u>

## 21. TRANSACTIONS WITH RELATED PARTIES

21.1 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	Relationship
Government of Pakistan	Major Shareholder (92% share)
PIA Investments Limited PIAIL	Subsidiary
Skyrooms (Private) Limited	Subsidiary
Sabre Travel Network Pakistan (Private) Limited	Subsidiary
Minhal France S.A	Sub - Subsidiary
Al-Shifa Trust	CSR Setup
PIA Main Pension Fund	Post Retirement Benefits
PIA PALPA Fund	Post Retirement Benefits
PIA FENA Fund	Post Retirement Benefits
UK Pension Fund	Post Retirement Benefits
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

- 21.2** 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:

		Six months period ended	
		June 30, 2022	June 30, 2021
		----- (Un-Audited) -----	
		----- (Rupees in '000) -----	
Name of Related Parties	Nature of Transaction		
Skyrooms (Private) Limited	Payments made against in-transit passengers	32,119	9,000
	Reimbursement of expenses	352,575	309,725
PIA Investments Limited	Management fee expense	56,802	183,168
	Markup expense on advance	82,694	59,171
	Markup income on advance	60,424	-
Minhal France S.A.	Other income	59,791	189,089
Retirement benefit funds	Contribution to provident fund and others	965,055	929,098
	Interest on overdue balance of provident fund	154,883	340,313
Al-shifa Trust	Donation	2,100	1,750
Pakistan State Oil	Purchase of fuel	17,141,856	4,557,305
	Late Payment Interest	465,291	444,484
Civil Aviation Authority	Airport related charges	9,822,379	2,824,936
National Insurance Company Limited	Insurance premium	2,598,084	491,453
National Bank of Pakistan	Finance costs	2,335,166	1,738,885
Government of Pakistan	Finance costs	4,782,258	2,375,751
Key Management Personnel	Salaries, wages and other benefits	64,607	59,366

## 22. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

### 22.1 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.

### 22.2 Fair value estimation

As at June 30, 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's investment property are stated at revalued amounts

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.

### 23. GENERAL

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

### 24. 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 August, 2022.

  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Chief Financial Officer

This page is intentionally left blank

# CONSOLIDATED FINANCIAL STATEMENTS





PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022

		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	Note	(Un-Audited) Rupees in '000	(Audited) Rupees in '000	(Un-Audited) US\$ in '000	(Audited) US\$ in '000
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
<b>Fixed assets</b>					
- Property, plant and equipment	4	151,478,435	146,161,724	732,324	828,047
- Investment property	5	93,315,545	78,928,594	451,134	447,153
- Intangibles		7,136,479	6,022,904	34,501	34,12
		<b>251,930,460</b>	<b>231,113,222</b>	<b>1,217,959</b>	<b>1,309,321</b>
Long-term investments		372,557	371,199	1,801	2,103
Receivable from Centre Hotel		1,562,563	1,333,420	7,554	7,554
Long-term loans and advances		-	603	-	3
Long-term deposits and prepayments		4,713,718	4,542,740	22,788	25,736
<b>Total non-current assets</b>		<b>258,579,298</b>	<b>237,361,184</b>	<b>1,250,102</b>	<b>1,344,717</b>
<b>CURRENT ASSETS</b>					
Stores and spares		3,659,301	2,949,352	17,691	16,709
Trade debts		19,788,367	15,174,240	95,672	85,966
Short-term loans and advances		4,659,411	3,091,218	22,526	17,513
Trade deposits and prepayments		5,627,853	5,624,535	27,208	31,865
Other receivables	6	7,644,551	7,325,667	36,958	41,502
Short-term investments	7	19,220	19,220	93	109
Cash and bank balances	8	12,428,023	14,011,292	60,083	79,378
<b>Total Current assets</b>		<b>53,826,727</b>	<b>48,195,524</b>	<b>260,231</b>	<b>273,042</b>
<b>TOTAL ASSETS</b>		<b>312,406,024</b>	<b>285,556,708</b>	<b>1,510,331</b>	<b>1,617,759</b>
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
Issued, subscribed and paid-up share capital		52,345,110	52,345,110	253,062	296,550
Reserves		19,054,463	13,704,339	92,119	77,639
Surplus on revaluation of property, plant and equipment - net		92,404,783	80,985,363	446,731	458,805
Accumulated losses		(608,193,853)	(565,421,057)	(2,940,312)	(3,203,274)
<b>Attributable to the Holding Company's shareholders</b>		<b>(444,389,498)</b>	<b>(418,386,245)</b>	<b>(2,148,400)</b>	<b>(2,370,280)</b>
<b>Non-controlling interest</b>		<b>4,146,625</b>	<b>3,605,833</b>	<b>20,047</b>	<b>20,428</b>
<b>TOTAL EQUITY</b>		<b>(440,242,873)</b>	<b>(414,780,412)</b>	<b>(2,128,353)</b>	<b>(2,349,852)</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term financing	9	318,897,553	302,573,060	1,541,707	1,714,164
Lease Liabilities	10	13,539,221	10,348,383	65,455	58,627
Long-term advances and deposits		147,527	125,913	713	713
Derivative		94,033	87,498	455	496
Deferred taxation		31,345,691	27,510,930	151,541	155,857
Deferred liabilities		42,544,866	43,485,209	205,683	246,356
<b>Total Non current liabilities</b>		<b>406,568,892</b>	<b>384,130,993</b>	<b>1,965,554</b>	<b>2,176,213</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	211,843,909	195,760,073	1,024,159	1,109,037
Unclaimed dividend - Preference shares		3,297	3,297	26	19
Accrued interest	12	37,358,302	30,843,526	180,609	174,737
Provision for taxation		1,745,617	1,182,293	8,439	6,698
Short-term borrowings	13	30,783,023	30,580,489	148,820	173,247
Current maturities of non - current liabilities	14	64,345,857	57,836,449	311,078	327,660
<b>Total current liabilities</b>		<b>346,080,005</b>	<b>316,206,127</b>	<b>1,673,131</b>	<b>1,791,398</b>
<b>TOTAL LIABILITIES</b>		<b>752,648,897</b>	<b>700,337,120</b>	<b>3,638,685</b>	<b>3,967,611</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>312,406,024</b>	<b>285,556,708</b>	<b>1,510,331</b>	<b>1,617,759</b>

## CONTINGENCIES AND COMMITMENTS

15

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.

**Chief Executive Officer**

Chief Executive Officer

**Chief Financial Officer**

Director


**Chief Financial Officer**


PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Note	Six months period ended		Quarter Ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		Rupees in '000				US\$ in '000	
<b>REVENUE - NET</b>	16	73,890,197	28,330,214	38,499,667	12,473,089	385,487	178,527
<b>COST OF SERVICES</b>							
Aircraft fuel		(30,577,846)	(7,630,852)	(18,473,038)	(3,342,897)	(159,525)	(48,087)
Others	17	(45,912,722)	(29,624,178)	(24,386,842)	(15,238,400)	(239,528)	(186,681)
		(76,490,568)	(37,255,030)	(42,859,880)	(18,581,297)	(399,053)	(234,768)
<b>GROSS PROFIT</b>		(2,600,371)	(8,924,816)	(4,360,213)	(6,108,208)	(13,566)	(56,241)
Distribution costs		(3,132,678)	(2,339,409)	(1,738,840)	(1,268,464)	(16,343)	(14,742)
Administrative expenses		(5,708,474)	(4,919,107)	(2,864,395)	(2,283,654)	(29,781)	(30,998)
Other provisions and adjustments		(319,150)	(528,749)	(86,066)	(360,810)	(1,665)	(3,332)
Other income		4,297,202	1,090,176	2,325,678	400,511	22,419	6,870
		(4,863,100)	(6,697,089)	(2,363,622)	(3,512,417)	(25,370)	(42,203)
<b>LOSS FROM OPERATIONS</b>		(7,463,471)	(15,621,905)	(6,723,834)	(9,620,624)	(38,936)	(98,444)
Exchange Loss - net		(13,825,711)	1,329,781	(10,099,389)	(2,814,414)	(72,129)	8,380
<b>LOSS BEFORE INTEREST AND TAXATION</b>		(21,289,182)	(14,292,124)	(16,823,223)	(12,435,038)	(111,065)	(90,064)
Finance costs	18	(21,704,760)	(12,180,364)	(11,978,658)	(6,670,808)	(113,234)	(76,756)
Share of loss from associated Holding Company		1	1	1	-	-	-
<b>LOSS BEFORE TAXATION</b>		(42,993,940)	(26,472,487)	(28,801,880)	(19,105,846)	(224,299)	(166,820)
Taxation	19	(490,804)	(64,411)	(333,963)	(56,321)	(2,561)	(406)
<b>LOSS FOR THE PERIOD</b>		(43,484,744)	(26,536,898)	(29,135,842)	(19,162,167)	(226,860)	(167,226)
Attributable to:							
Equity holders of the Holding Company		(43,462,420)	(26,444,624)	(29,114,761)	(19,072,793)	(226,744)	(166,645)
Non-controlling interest		(22,324)	(92,274)	(21,081)	(89,374)	(116)	(581)
		(43,484,744)	(26,536,898)	(29,135,842)	(19,162,167)	(226,860)	(167,226)
<b>LOSS PER SHARE - BASIC AND DILUTED</b>							
		Rupees				US\$	
Loss attributable to:							
- "A" class Ordinary shares of Rs 10 each		(8.31)	(5.07)	(5.57)	(3.66)	(0.04)	(0.03)
- "B" class Ordinary shares of Rs 5 each		(4.16)	(2.54)	(2.79)	(1.83)	(0.02)	(0.02)


The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

  
Chief Financial Officer

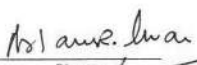
PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Six months period ended		Quarter Ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	-----Rupees in '000-----				-----US\$ in '000-----	
Loss for the period	(43,484,744)	(26,536,898)	(29,135,842)	(19,162,167)	(226,861)	(167,226)
<b>Other comprehensive income</b>						
Unrealised gain on re-measurement of available for sale investments	(2,144)	(2,144)	(2,144)	(2,144)	(11)	(14)
Exchange differences on translation of foreign operations	5,912,821	11,420,420	4,660,484	12,027,476	30,847	71,967
Loss on re-measurement of derivative - net of tax	(4,986)	(4,986)	(4,986)	-	(26)	(31)
Total comprehensive income	<u>(37,579,054)</u>	<u>(15,123,608)</u>	<u>(24,482,489)</u>	<u>(7,136,835)</u>	<u>(196,051)</u>	<u>(95,304)</u>
Attributable to:						
Equity holders of the Holding Company	(38,119,846)	(15,959,396)	(24,904,815)	(7,172,693)	(198,872)	(100,570)
Non-controlling interest	540,792	(137,630)	422,326	30,872	2,821	(867)
	<u>(37,579,054)</u>	<u>(15,123,608)</u>	<u>(24,482,489)</u>	<u>(7,136,835)</u>	<u>(196,051)</u>	<u>(95,304)</u>

The annexed notes 1 to 25 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 SIX MONTHS PERIOD ENDED JUNE 30, 2022**

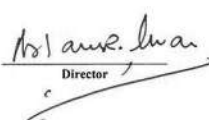
	Note	Six months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		----- Rupees in '000 -----		----- US\$ in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations	20	11,865,881	1,021,853	61,904	6,438
Profit on bank deposits received		51,529	13,520	268	86
Finance costs paid		(15,191,855)	(9,525,832)	(79,256)	(60,028)
Taxes paid		(152,161)	(39,425)	(794)	(248)
Staff retirement benefits paid		(1,551,124)	(1,267,646)	(8,092)	(7,988)
Long-term deposits and prepayments - net		813,544	132,158	4,244	833
<b>Net cash (used in) / generated from operating activities</b>		<b>(4,164,186)</b>	<b>(9,665,372)</b>	<b>(21,726)</b>	<b>(60,908)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(2,987,608)	(349,701)	(15,590)	(2,205)
Purchase of Intangibles		-	(58,343)	-	(368)
Restricted Cash		1,470	98,210	4	619
Proceeds from sale of operating fixed assets		-	465	-	3
<b>Net cash used in investing activities</b>		<b>(2,987,608)</b>	<b>(309,369)</b>	<b>(15,586)</b>	<b>(1,951)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of long-term financing		27,196,570	(14,903,894)	141,885	(93,919)
Proceeds from long-term financing		(18,799,346)	29,587,510	(98,077)	186,450
Repayment of lease liabilities		(3,480,504)	(5,025,633)	(18,158)	(31,670)
<b>Net cash generated from financing activities</b>		<b>4,916,719</b>	<b>9,657,983</b>	<b>25,650</b>	<b>60,862</b>
<b>Increase in cash and cash equivalents</b>		<b>(2,235,076)</b>	<b>(316,758)</b>	<b>(11,662)</b>	<b>(1,996)</b>
Cash and cash equivalents at the beginning of the period		13,356,033	6,725,478	69,680	42,381
Currency translation		302,753	472,267	1,579	2,976
Cash and cash equivalents at the end of the period		11,423,711	6,880,987	59,596	43,361
<b>Cash and Cash equivalents</b>					
Cash and bank balances	8	12,428,023	7,384,824	64,837	46,536
Short term investment		19,220	450,854	100	2,841
Running finance under mark-up arrangements		(1,023,533)	(954,691)	(5,340)	(6,016)
		11,423,711	6,880,987	59,597	43,361


The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Chief Financial Officer

**PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE consolidated CONDENSED INTERIM FINANCIAL STATEMENT**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

**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 (the "Holding Company")**

Pakistan International Airlines Corporation Limited (the "Holding 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 Holding Company has been converted from a statutory company into 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 Holding 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 Holding Company and the Holding 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 provisions of the Act.

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:**

**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 2021: 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 period ended June 30, 2022.

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 period ended June 30, 2022 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 period ended June 30, 2022 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 Holding Company incurred a net loss of Rs.43,484.744 million (June 30, 2021: Rs. 26,536.898 million) resulting in accumulated losses of Rs. 608,193.853 million as of June 30, 2022 (December 31, 2021: Rs. 565,421.057 million). Further, as of June 30, 2022, current liabilities of the Holding Company exceeded its current assets by Rs. 283,951.442 million (December 31, 2021: Rs. 268,010.603 million).

In view of the situation described above, 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 Holding 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 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 June 2022), Rs. 16,768 million, Rs. 28,263 million, Rs. 19,072 million and Rs. 21,850 million respectively have been provided by the GoP in respect of markup support.
- c) In a meeting with the Honorable PM on April 4, 2019, the Holding Company presented its strategic business plan 2019-23 which was approved and during that meeting PM assured GoP's 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 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.

## 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 Act; and
- Provisions of and directives issued under the Act.

Where the 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.

### 2.2 Basis of measurement

The consolidated condensed interim financial information 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; and
- provision for redelivery cost of aircrafts and engines are stated at present value.

## 2.3 Functional and presentation currency

Items included in the consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the 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.

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. 206.8467 = 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. 191.6801 = US\$ 1 (June 30, 2021: Rs. 156.2965 = US\$ 1).

- 2.4 The figures of the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2022 and June 30, 2021 and notes forming part thereof have not been reviewed by the auditors of the Holding Company, as they have reviewed the cumulative figures for the half year ended June 30, 2022 and June 30, 2021.

## 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of the unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual unconsolidated financial statements of the Holding Company for the year ended December 31, 2021, except for the following amendments to accounting standards which became effective during the current period:

### 3.2 Standard adopted during the period

There are certain amendments to accounting standards that are mandatory for the Holding Company's accounting period beginning on January 01, 2022, but are considered either to be not relevant or to not have any significant effect on the Holding Company's operation and are, therefore, not detailed in these consolidated condensed interim financial statements.

### 3.2 Standards not yet effective

There are certain new standards, amendments and interpretations to the approved accounting standards that will be mandatory for the Holding Company's accounting periods beginning on / after 1 July 2022. However, the Holding Company expects that these standards will not have any material impact on the future financial statements of the Holding Company.

### 3.3 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 Holding Company for the year ended December 31, 2021.

## 4 PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2022 (Un-Audited) ----- Rupees in '000 -----	December 31, 2021 (Audited)
Operating fixed assets			
- owned	4.1	128,604,290	128,536,714
- right of use asset	4.2	19,693,906	17,090,717
		<u>148,298,196</u>	<u>145,627,431</u>
Capital work-in-progress		3,180,239	534,293
		<u>151,478,435</u>	<u>146,161,724</u>

### 4.1 Owned

	June 30, 2022 (Un-Audited) ----- Rupees in '000 -----	June 30, 2021 (Un-Audited)
Building owned Renovation and improvements	110,086	1,478
Engineering equipment and tools	7,510	15,509
Furniture, fixtures and fittings	3,134	3,998
Office equipment -1	33,892	8,006
Computer and office automation	57,487	10,890
Capital spares	108,692	118,918
	<u>320,801</u>	<u>158,799</u>
<b>Owned</b>		
- Deletion / write-offs net book value / Adjustment		
Furniture, fixtures and fittings	-	22
Office equipment	-	6
Computer and office automation	-	115
	<u>-</u>	<u>143</u>
<b>Transfer</b>		
Land-leased	611,600	-
Building - leased	225,375	-
	<u>836,975</u>	<u>-</u>



**4.1.1 Right of use assets**  
Addition during the period

5,358,565	55,477
-----------	--------

**4.1.2 CWIP**

Addition during the period  
Transfer to operating assets

2,740,041	206,992
(94,850)	(31,831)
<u>2,645,191</u>	<u>175,161</u>

**4.2 Depreciation charge for the period has been allocated as under;**

Cost of services - others  
Distribution cost  
Administration expense

6,290,620	6,606,604
3,965	4,876
6,114	7,529
<u>6,300,699</u>	<u>6,619,009</u>

**Lands, buildings and improvements**      **Furniture and equipment**      **Total**

----- Rupees in '000 -----

**5 INVESTMENT PROPERTY**

**Year ended December 31, 2021**

Net Book Value as at 01 January 2021	70,761,486	487,622	71,249,108
Acquisitions	-	-	-
Reclassification from Property, Plant & Equipment	206,186	-	206,186
Change in Fair Value	-	-	-
Gain on revaluation	38,285	-	38,285
Currency translation	7,384,127	50,889	7,435,016
Net book value as at 31 December 2021	<u>78,390,084</u>	<u>538,511</u>	<u>78,928,595</u>

**Period ended June 30, 2022**

Net Book Value as at 01 January 2022	78,390,084	538,511	78,928,595
Addition during the period	28,397	-	28,397
Transfer	836,975	-	836,975
Currency translation	13,521,578	-	13,521,578
Net book value as on June 30, 2022	<u>92,777,034</u>	<u>538,511</u>	<u>93,315,545</u>

**June 30, 2022**      **December 31, 2021**  
(Un-Audited)      (Audited)  
----- Rupees in '000 -----

**6 OTHER RECEIVABLES**

**Considered good**

Claims receivable	6.1	218,629	310,175
Excise duty		100,000	100,000
Sales tax receivable		4,745,636	4,745,637
Receivable from GoP		144,883	117,112
Grant from GoP		16,608	16,608
Rental income		11,286	9,631
		<u>5,237,042</u>	<u>5,299,163</u>

**- other than related parties**

Lessor	6.2	148,310	-
Others		2,259,199	2,026,504
		<u>7,644,551</u>	<u>7,325,667</u>

**Considered doubtful**

Less: Allowance for expected credit loss

450,562	450,562
(450,562)	(450,562)
-	-
<u>7,644,551</u>	<u>7,325,667</u>

- 6.1 This represents 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 Act). The Holding 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 interalia stated 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 in terms of Rule 41A(14) of the Federal Excise Rules, 2005 [see note 31.1.1 (d)].
- 6.2 The Holding Company in consultation with its tax advisor believes that apportionment rule is not applicable in the subject case interalia, 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 Holding 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 Holding Company at the import stage shall be eventually recovered / adjusted.

## 7 SHORT-TERM INVESTMENTS

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note	Rupees in '000	
<b>Fair value through other comprehensive income - unquoted</b>		
SITA INC N.V.		
Equity shares 325,491 (2019: 325,491)	19,220	19,220
	<b>19,220</b>	<b>19,220</b>

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

## 8 CASH AND BANK BALANCES

In hand	3,385	1,176
In transit	-	29,907
	<b>3,385</b>	<b>31,083</b>
<b>With banks:</b>		
Restricted cash	935	-
- in current accounts	8.1 9,726,318	11,821,371
- in deposit accounts	8.2 & 8.3 2,697,385	2,158,838
	<b>12,424,638</b>	<b>13,980,209</b>
	<b>12,428,023</b>	<b>14,011,292</b>

8.1 This has been adjusted by an aggregate amount of Rs. 434.140 million (December 31, 2021: Rs. 504.244 million), representing book overdrafts.  
(1)

8.2 These carry interest ranging from 0.5% to 13.5% (December 31, 2021: 0.5% to 8.9%) per annum.

8.3 This includes a bank balance of BDT 672.654 million (December 31, 2021: BDT 674.591 million) equivalent to Rs. 1,486.700 million (December 31, 2021: Rs. 1,390.803 million) held at National Bank of Pakistan, Dhaka and Habib Bank Limited, Dhaka. The management of the Holding Company is currently facing challenges in remittance of such balance to Pakistan due to compliance / procedural matters. However, the Holding Company holds clean and absolute title of subject bank accounts, being free to make payments / transfers within Bangladesh territory.

## 9 LONG-TERM FINANCING

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Rupees in '000	
Balance at beginning of the period	348,890,705	303,606,550
Financing obtained during the period	84,972,977	80,955,649
Repayments made during the period	(75,529,064)	(44,389,549)
Exchange loss	18,708,691	8,718,056
	<b>377,043,308</b>	<b>348,890,705</b>
Less: Current maturity	(58,145,756)	(51,992,647)
Closing balance	<b>318,897,553</b>	<b>296,898,060</b>

9.1 During the period the company obtained financing from the following:

Financier	Type of facility	Repayment period	Facility amount (million)	Number of Installments / Mode	June 30, 2022 (Un-Audited)
HBL	Term finance	2023-2026	PKR 17000	60 Monthly	10,000,000
BoP	Term finance	2024-2032	PKR 56177	96 Monthly	56,177,404
Askari Bank Limited	Term finance	2024-2029	PKR 12000	60 Monthly	5,000,000
GoP	Mark up reimbursement				13,795,573
					<u>84,972,977</u>

9.2 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 Holding 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 Holding 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

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----		
Present value of minimum lease payments		
- Aircraft fleet including engines	18,919,358	15,339,172
- Buildings	789,516	801,372
	19,708,874	16,140,544
Technical ground equipments	30,448	51,641
	19,739,322	16,192,185
Less: Current maturity of lease liabilities	(6,200,101)	(5,843,802)
	<u>13,539,221</u>	<u>10,348,383</u>

11 TRADE AND OTHER PAYABLES

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----		
<b>Trade creditors</b>		
Goods	25,378,246	22,853,666
Services	23,083,815	13,615,768
Airport related charges	49,168,199	45,690,328
	97,630,260	82,159,762
<b>Other Liabilities</b>		
Accrued liabilities	11.1	9,261,320
VSS employee obligation		12,215
Advance against transportation (unearned revenue)		11,261,014
Obligation for compensated absences- Holding Company		6,703,329
Unredeemed frequent flyer liabilities		459,890
Advance from customers		2,238,816
Amount due to Associate undertaking		620,454
Advances and deposits		57,194
Earnest money		248
Employees' provident fund	11.2	431,574
Federal excise duty - International travel		9,564,077
Unclaimed dividend - Preference shares		630,989
Collection on behalf of others		61,226,026
Customs and federal excise duty		2,009,573
Income tax deducted at source		1,644,259
Multi employer pension withdrawal liability		-
Bed tax		1,361
Payable to EOBI/SESSI		13,543
Short-term deposits		-
Others		-
	<u>173,433</u>	<u>284,721</u>
	<u>211,843,909</u>	<u>195,760,073</u>

## 12 ACCRUED INTEREST

### Mark-up / profit / interest payable on:

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Rupees in '000	
- Long-term financing	12,655,703	11,514,778
- Loan from GoP against markup	14,573,972	10,188,427
- Term finance certificates	9,441	-
- Sukuk certificates	-	8,816
- Lease liabilities	138	-
- Short-term borrowings	1,020,274	705,261
- Provident fund	9,098,774	8,426,244
	<u>37,358,302</u>	<u>30,843,526</u>

## 13 SHORT-TERM BORROWINGS - secured

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Rupees in '000	
Short-term loans - secured	29,860,000	29,860,000
Running finance under mark-up arrangements	<u>923,023</u>	<u>720,489</u>
	<u>30,783,023</u>	<u>30,580,489</u>

13.1 During the period, no fresh short term borrowing was availed by the Holding Company, however certain agreements were matured and renewed on their respective maturity date.

## 14 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Rupees in '000	
Long-term financing	58,145,756	51,992,647
Term finance and sukuk certificates	-	-
Lease liabilities	<u>6,200,101</u>	<u>5,843,802</u>
	<u>64,345,857</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 note 30 to the consolidated financial statements for the year ended December 31, 2021, except for the amounts claimed by the Civil Aviation Authority which are not acknowledged by the Holding Company amounting to Rs. 40,548 million as of June 30, 2022 (December 31, 2021: Rs. 38,048.147 million).

### 15.2 Commitments

- Commitments for capital expenditure amounted to Rs. 42.278 million (December 31, 2021: Rs. 176.411 million).
- Outstanding letters of guarantee amounted to Rs. 294.875 million (December 31, 2021: Rs. 275.836 million).
- In 2012, the Holding Company has entered into an agreement for purchase of aircraft, the remaining commitments of which aggregate to US\$ 1,527.904 million (December 31, 2021: US\$ 1,527.904 million) equivalent to Rs. 316,041.900 million (December 31, 2021: Rs. 269,695.683 million) based on catalogue prices. The Holding Company has not made certain payments on its due dates as per the terms of the agreement.

## 16 REVENUE - Net

	Six months period ended		Quarter ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	.....(Un-Audited).....			
	Rupees'000			
Passenger	63,398,043	20,563,605	32,562,754	7,920,249
Cargo	2,942,488	1,892,383	1,699,712	1,087,210
Charter	1,284,931	1,958,975	669,304	1,225,012
Room, food and beverages sales	2,231,317	327,576	1,581,549	213,210
Others	4,033,420	3,587,676	1,986,350	2,027,409
	<u>73,890,197</u>	<u>28,330,214</u>	<u>38,499,668</u>	<u>12,473,090</u>

## 17 COST OF SERVICES - Others

Salaries, wages and allowances	6,027,483	4,959,933	3,046,138	2,413,156
Welfare and social security costs	545,050	782,191	277,150	319,291
Retirement benefits	1,405,206	1,160,359	706,432	580,192
Compensated Absences	247,415	99,023	123,700	48,482
Legal and professional charges	19,097	16,649	7,837	6,949
Stores and spares consumed	921,856	541,378	635,919	237,249
Repair, Maintenance and overhaul	6,251,799	4,040,850	3,114,432	2,247,940
Aircraft Charter	3,763,813	1,224,398	1,611,863	1,224,398
Flight equipment rental	3,953,851	1,109,786	2,375,836	783,482
Landing and handling	9,043,186	3,556,130	4,862,089	1,585,699
Passenger services	918,242	411,299	500,486	145,698
Crew layover	778,731	430,713	390,956	172,112
Staff training	15,962	-	(1,548)	(951)
Food cost	65,777	40,736	30,800	35,249
Utilities	37,234	31,837	17,718	15,936
Communication	1,208,150	619,713	712,707	292,027
Insurance	2,610,113	3,259,374	1,542,346	1,589,335
Rent, rates and taxes	553,443	273,061	331,514	130,014
Printing and stationery	101,748	95,751	72,981	77,390
Depreciation	6,290,620	6,615,128	3,205,060	3,103,836
Amortization	3,498	6,173	1,749	3,164
Others	1,150,448	349,696	820,676	226,877
	<u>45,912,722</u>	<u>29,624,178</u>	<u>24,386,842</u>	<u>15,237,525</u>

Six months period ended		Quarter ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
.....(Un-Audited).....			
-----Rupees'000-----			

## 18 FINANCE COSTS

Mark-up on:				
- long-term financing	18,741,438	10,331,812	14,346,339	5,024,619
- short-term borrowings	1,920,180	1,357,322	1,021,042	650,491
	<u>20,661,618</u>	<u>11,689,134</u>	<u>15,367,381</u>	<u>5,675,110</u>
Lease Liabilities	530,195	469,935	284,949	214,302
Bank charges, guarantee commission and other related charges	512,947	21,294	502,254	10,399
	<u>21,704,760</u>	<u>12,180,364</u>	<u>16,154,585</u>	<u>5,899,811</u>

## 19 TAXATION

Current - for the period	490,804	64,411	333,963	56,321
--------------------------	---------	--------	---------	--------

### 19.1

The tax charge for the current period is based on minimum tax on turnover under section 113 of Income Tax Ordinance 2001. However, upto the half year ended 30 June 2021, the Holding Company was not recognising income tax under the said section based on the management's interpretation that Section 113 is not to be levied on the Holding Company's revenue streams (i.e. fare from passenger, cargo freight, and excess luggage fees) as these did 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 decision of Appellate Tribunal Inland Revenue (ATIR) reported as 2019 PTD (Trib.) 416, in case of another airline company.

### 19.2

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

		Six months period ended	
		June 30, 2022 (Un-Audited)	June 30, 2021 (Un-Audited)
		-----Rupees in '000 -----	
20	<b>CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>		
	<b>Loss before taxation</b>	(42,993,940)	(26,472,487)
	<b>Adjustments for non cash items:</b>		
	Depreciation	7,307,885	7,313,106
	Gain on disposal of property, plant and equipment	-	(322)
	Amortization	43,719	77,160
	Provision for slow moving stores and spares	(359,845)	264,403
	Provision for employees' benefits	2,823,323	2,116,434
	Provision for redelivery cost	1,432,338	4,319
	Provision for expected credit loss	205,358	109,851
	Provision against other receivable	173,355	-
	Finance costs	21,704,760	13,153,781
	Unrealised Exchange Loss	11,986,463	(934,584)
	Share of loss / (profit) from associates	-	(1)
	Profit on bank deposits	(51,529)	(13,520)
	Cash generated from operations before working capital changes	2,271,887	(4,381,858)
	<b>Working capital changes:</b>		
	Decrease in stores and spare parts	(330,828)	695,581
	Decrease in trade debts	(3,807,805)	8,940,513
	Decrease / (Increase) in advances	(511,276)	(1,225,697)
	Decrease/ (Increase) in trade deposits and prepayments	(991,685)	(3,410,510)
	Decrease / (Increase) in other receivables	(297,368)	814,463
	Increase in trade and other payables	15,532,957	(410,640)
		9,593,994	5,403,711
	<b>Cash generated from operations after working capital changes</b>	<b>11,865,881</b>	<b>1,021,853</b>



## 21 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company 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 and directors according to the terms of employment / regulations and those not mentioned elsewhere in this unconsolidated condensed interim financial information is as follows:

Name of Related Parties and relationship with the Holding	Nature of transactions	June 30, 2022 (Un-Audited)	June 30, 2021 (Un-Audited)
		-----Rupees in '000 -----	
<b>Skyrooms (Private) Limited – Subsidiary</b>			
	Payments made against in-transit passengers	32,119	9,000
	Services hired	352,575	309,725
<b>Retirement funds</b>			
	Contribution to provident Fund and other	956,055	929,098
	Interest on Loan from pension / provident fund	154,883	340,313
<b>Profit oriented state-controlled entities - common ownership</b>			
	Purchase of Fuel	7,154,832	4,557,305
	Insurance premium	2,598,084	491,453
	Late payment interest	465,291	444,484
	Airport Related charges	3,537,583	2,824,936
<b>GoP - Major shareholder</b>	Finance cost charged	4,782,258	2,375,751
<b>National Bank of Pakistan (NBP)</b>	Finance cost charged	2,335,166	1,738,885
<b>Key management personnel</b>			
	Salaries, wages and other benefits	64,607	59,366

21.1 Following are the related parties with whom the Holding 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 (PIAIL)	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary
Sabre Travel Network Pakistan (Private) Limited	70%	Subsidiary
<b>Post Retirement Benefits</b>		
PIA Main Pension Fund	-	Post Retirement Benefits
PIA PALPA Fund	-	Post Retirement Benefits
PIA FENA Fund	-	Post Retirement Benefits
<b>Profit oriented state controlled entities</b>		
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 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

### 22.1 Financial risk factors

The Holding 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 consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual consolidated 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.

### 22.2 Fair value estimation

#### 6.2

As at June 30, 2022, all the Holding Company's assets and liabilities are carried at cost except for those mentioned below:

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;

The Holding Company classifies long-term investments in listed companies measured in the consolidated 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 consolidated condensed interim financial statements approximate their fair values.

## 23 GENERAL

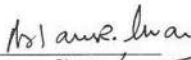
All figures have been rounded off to the nearest thousand Pakistan Rupees unless otherwise stated.

## 24 CORRESPONDING FIGURES

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

## 25 DATE OF AUTHORISATION FOR ISSUE BY THE BOARD OF DIRECTORS

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

  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Chief Financial Officer



Company Secretary  
PIA Headquarters,  
Jinnah International Airport,  
Karachi - 75200, Pakistan.  
UAN: 111-786-786 / 111-FLY-PIA  
[www.piac.com.pk](http://www.piac.com.pk)