

FORM – 8

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

CS/PSX/3QTR-FS22/22

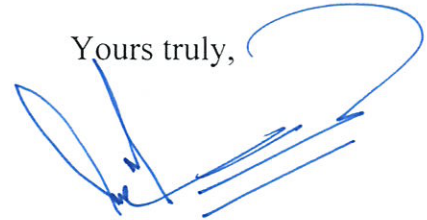
November 04, 2022

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

Dear Sir,

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



**Rao Muhammad Imran
Asstt. Company Secretary**

Encl: As stated above



PAKISTAN
International Airlines
Great People to Fly With

Pursuing the National Vision



THIRD QUARTERLY REPORT 2022

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CORPORATE PROFILE

As at October 31, 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 Navaid H Malik

Dr Kazim Niaz
Secretary Economic Affairs Division

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 Syed Hasan Kashif
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

Website: 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

BOARD COMMITTEES

As at October 31, 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

DIRECTOR'S REPORT – FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

On behalf of the Directors of Pakistan International Airlines Corporation Limited, we are pleased to present the performance report along with the financial statements for the period of nine months ended September 30, 2022.

The financial results for the period under review are summarized below:

Profit & Loss Statement	Period Ended September 30		Variance
	2022	2021	
	(PKR. In Million)		
Revenue	120,643	49,365	1.4 times
Cost of services			
Fuel Cost	(55,754)	(13,440)	-3.2 times
Other Cost of Services	(69,395)	(46,513)	-49.2%
Gross Profit/(Loss)	(4,506)	(10,588)	57.4%
Other Operating Expenses	(9,620)	(8,488)	-13.3%
Other Income	4,523	1,511	2 times
Profit/(Loss) from Operations	(9,603)	(17,565)	45.3%
Exchange Gain/(Loss)	(21,932)	(5,180)	-3.2 times
Finance Cost	(34,955)	(19,602)	-78.3%
Loss Before Taxation	(66,490)	(42,346)	57 %

The world has almost recovered from the damaging effects of COVID-19 crisis which crippled the Aviation Industry for almost two years. Airlines have proven their resilience throughout the pandemic, showing great agility and innovation during this truly exceptional period.

Countries around the globe eased out travel restrictions and people returned to travel. PIA also witnessed removal of strict border controls and quarantine conditions on its key routes. Due to this positive trend, PIA has achieved a significant growth of 1.4 times in its revenues as compared to the corresponding period last year. Positive trend in revenue were mainly witnessed due to re-commencement of Hajj, Umrah and Aarbaeen operations in 2022.

PIA has posted Gross Loss and Operating Loss of Rs. 4,506 million & 9,603 million respectively as compared to Rs. 10,588 million & 17,565 million respectively during corresponding period. Gross loss and Operating loss has declined significantly by 57.4% & 45.3% respectively compared to corresponding nine months results due to the upward trend in revenue.

The entity remained in pressure due to financial constraints and liquidity problems, resulting in increased Borrowing to meet working capital needs. As a result, finance costs surged up by 78% compared to corresponding period. Increased interest rate was also a major factor which hampered the financial cost. PIA bore exchange loss of Rs. 21,932 million during the period under review whereas it was only Rs. 5,180 million in corresponding period. The substantial increase of 3.2 times in exchange loss was mainly due to significant devaluation of Pak rupee.

PIA Management is continuously pursuing avenues to maximize its revenue by putting appropriate efforts to grip the market opportunities which can further boost the National flag carrier's revenue. In the stated efforts, PIA has significantly expanded the customer base in last nine months. PIA has re-started operation on many key routes which were closed due to COVID-19. In this connection, special flights were also operated for Najaf & Damascus. New routes have also been started like Baku, Kuwait which expanded the network to secure better revenue. During the period under review, operating cash flows has generated to Rs 3.4 billion (Negative cash flows Rs 5.7 billion as at September 30, 2021) suffice to manage the operating cost of the company however, significant cash inflows would be required from GoP for repayment of debts, capital expenditures and to settle long outstanding liabilities.

Overall PIA has witnessed good financial results due to positive trend in the revenue but it remained challenging for the PIA, especially in the current circumstances due to fuel costs and devaluation of Pak-rupee. However, with the rigorous efforts of the management and current revitalization (Commencement of Turkish Air & PIA code sharing from November 2022) plan being implemented across the organization, we are hopeful that, with the co-operation of our customers, dedication of our employees and continuous support of our shareholders as well as Government of Pakistan, we will emerge stronger for the better times ahead.



AVM Muhammad Amir Hayat
Acting Chief Executive Officer



Nayaid H. Malik
Director

October 31, 2022

UNCONSOLIDATED
FINANCIAL
STATEMENTS



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

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	
Note		(Rupees in '000)		(US\$ in '000)		
ASSETS						
NON-CURRENT ASSETS						
	Property, plant and equipment	4	92,683,815	91,030,118	405,704	515,712
	Investment property	5	1,109,843	244,471	4,858	1,385
	Intangibles		223,582	272,027	979	1,541
	Long-term investments		4,593,456	4,675,332	20,107	26,487
	Long-term loan to subsidiaries		2,331,270	779,343	10,205	4,415
	Long-term deposits		3,771,641	4,271,235	16,510	24,198
TOTAL NON-CURRENT ASSETS			104,713,607	101,272,526	458,363	573,738
CURRENT ASSETS						
	Stores and spares		4,009,914	2,915,991	17,553	16,520
	Trade debts	6	22,147,006	14,925,854	96,944	84,559
	Advances		4,055,409	3,051,709	17,752	17,289
	Trade deposits and short-term prepayments		6,579,411	4,444,401	28,800	25,179
	Other receivables	7	7,595,135	7,240,000	33,244	41,017
	Short-term investments		19,220	19,220	84	109
	Cash and bank balances	8	8,410,146	12,496,332	36,813	70,795
TOTAL CURRENT ASSETS			52,816,241	45,093,507	231,190	255,468
TOTAL ASSETS			157,529,848	146,366,033	689,553	829,206
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
	Issued, subscribed and paid-up share capital		52,345,110	52,345,110	229,130	296,550
	Reserves		4,456,494	4,538,368	19,507	25,711
	Surplus on revaluation of property, plant and equipment - net		10,907,674	10,961,836	47,746	62,102
	Accumulated losses		(632,649,764)	(565,308,919)	(2,769,290)	(3,202,638)
TOTAL SHAREHOLDERS' EQUITY			(564,940,486)	(497,463,605)	(2,472,907)	(2,818,275)
NON CURRENT LIABILITIES						
	Long-term financing	9	286,374,043	272,685,376	1,253,541	1,544,841
	Lease liabilities	10	15,436,379	10,348,383	67,569	58,627
	Advances from subsidiaries		9,343,973	7,259,407	40,901	41,127
	Deferred liabilities		43,679,392	39,821,428	191,197	225,600
TOTAL NON-CURRENT LIABILITIES			354,833,787	330,114,594	1,553,208	1,870,195
CURRENT LIABILITIES						
	Trade and other payables	11	221,139,083	192,089,706	967,989	1,088,243
	Unclaimed dividend - Preference shares		3,297	3,297	14	19
	Accrued interest	12	45,325,310	32,378,420	198,404	183,433
	Taxation - net		1,828,663	1,182,288	8,005	6,698
	Short-term borrowings - secured	13	31,082,327	30,580,489	136,056	173,247
	Current maturity of non-current liabilities		68,257,867	57,480,844	298,784	325,646
TOTAL CURRENT LIABILITIES			367,636,547	313,715,044	1,609,252	1,777,286
TOTAL LIABILITIES			722,470,334	643,829,638	3,162,460	3,647,481
TOTAL EQUITY AND LIABILITIES			157,529,848	146,366,033	689,553	829,206
CONTINGENCIES AND COMMITMENTS						
		14				

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


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Note		Nine months period ended		Quarter ended		Nine months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		(Rupees in '000)				(US\$ in '000)	
Revenue - net	15	120,643,330	49,365,114	49,447,703	21,724,146	595,820	298,737
Cost of services							
Aircraft fuel	16	(55,753,601)	(13,439,685)	(25,175,755)	(5,808,833)	(275,350)	(81,331)
Others		(69,395,485)	(46,513,053)	(24,435,801)	(17,297,250)	(342,723)	(281,478)
		(125,149,086)	(59,952,738)	(49,611,556)	(23,106,083)	(618,073)	(362,809)
Gross loss		(4,505,756)	(10,587,624)	(163,853)	(1,381,937)	(22,253)	(64,072)
Distribution costs		(4,458,632)	(3,466,613)	(1,544,019)	(1,277,549)	(22,020)	(20,978)
Administrative expenses		(4,624,282)	(3,968,386)	(1,703,684)	(1,370,147)	(22,838)	(24,015)
Other provisions and adjustments - net		(537,184)	(1,052,588)	(218,035)	(523,838)	(2,653)	(6,370)
Other income		4,522,522	1,510,508	392,299	567,749	22,335	9,141
		(5,097,576)	(6,977,079)	(3,073,439)	(2,603,785)	(25,176)	(42,222)
Loss from operations		(9,603,332)	(17,564,703)	(3,237,292)	(3,985,724)	(47,429)	(106,294)
Exchange (loss) / gain - net		(21,931,795)	(5,179,558)	(8,096,674)	(6,503,142)	(108,314)	(31,345)
Loss before interest and taxation		(31,535,127)	(22,744,261)	(11,333,966)	(10,488,866)	(155,743)	(137,639)
Finance costs	17	(34,955,055)	(19,601,516)	(13,837,485)	(6,852,164)	(172,632)	(118,620)
Loss before taxation		(66,490,182)	(42,345,777)	(25,171,451)	(17,341,030)	(328,375)	(256,259)
Taxation	18	(904,825)	(370,238)	(370,858)	(361,741)	(4,469)	(2,241)
Net loss for the period		(67,395,007)	(42,716,015)	(25,542,309)	(17,702,771)	(332,844)	(258,500)

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


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

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

	Nine months period ended		Quarter ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)				(US\$ in '000)	
Net loss for the period	(67,395,007)	(42,716,015)	(25,542,308)	(17,702,771)	(332,844)	(258,500)
Other comprehensive income:						
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss						
Unrealised (loss) / gain on re-measurement of investments at FVOCI	(81,876)	89,913	(89,310)	81,265	(404)	544
Total comprehensive loss for the period	(67,476,883)	(42,626,102)	(25,631,618)	(17,621,506)	(333,248)	(257,956)

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


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

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


	Note	Nine months period ended		Nine months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		(Rupees in '000)		(US\$ in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	20	19,950,750	25,525	98,531	154
Profit on bank deposits received		64,562	19,646	319	119
Finance costs paid		(21,131,205)	(15,091,026)	(104,361)	(91,325)
Taxes paid		(258,450)	(46,662)	(1,276)	(282)
Staff retirement benefits paid		(2,231,379)	(1,974,963)	(11,020)	(11,952)
Long-term deposits and prepayments - net		499,594	(1,004,390)	2,467	(6,078)
Net cash used in operating activities		(3,106,128)	(18,071,870)	(15,340)	(109,364)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(3,186,480)	(385,778)	(15,737)	(2,335)
Purchase of intangible assets		(17,693)	(103,479)	(87)	(626)
Disbursement of loan to a subsidiary		(1,551,928)	-	(7,664)	-
Proceeds from sale of property, plant and equipment		1,505	1,960	7	11
Net cash used in investing activities		(4,754,596)	(487,297)	(23,481)	(2,950)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from long-term financing		39,217,977	54,657,444	193,686	330,765
Repayment of long-term financing		(29,691,569)	(37,437,347)	(146,638)	(226,555)
Repayment of / Proceeds from sukuk certificates		(503,795)	5,675,000	(2,488)	34,343
Repayment of lease liabilities		(5,730,692)	(6,078,907)	(28,302)	(36,787)
Net cash generated from financing activities		3,291,921	16,816,190	16,258	101,766
Decrease in cash and cash equivalents		(4,568,803)	(1,742,977)	(22,564)	(10,548)
Cash and cash equivalents at beginning of the period		11,775,843	5,023,148	58,157	30,398
Cash and cash equivalents at end of the period		7,207,039	3,280,174	35,593	19,850
Cash and cash equivalents					
Short-term investments		19,220	19,220	95	116
Cash and bank balances	8	8,410,146	4,141,110	41,535	25,060
Running finance under mark-up arrangements	13	(1,222,327)	(880,156)	(6,037)	(5,326)
		7,207,039	3,280,174	35,593	19,850

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


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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
(Rupees in '000)						
Balance as at January 01, 2021	52,345,110	2,501,038	163,074	11,039,369	13,703,481	1,779,674
Total comprehensive income / (loss)	-	-	-	-	-	-
Losses for the period	-	-	89,913	-	89,913	-
Other comprehensive loss for the period	-	-	89,913	-	89,913	-
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	(60,741)	(60,741)	-
Balance as at September 30, 2021	52,345,110	2,501,038	252,987	10,978,628	13,732,453	1,779,674
Balance as at January 01, 2022	52,345,110	2,501,038	257,658	10,961,836	13,720,332	1,779,674
Total comprehensive income / (loss)	-	-	-	-	-	-
Losses for the period	-	-	(81,876)	-	(81,876)	-
Other comprehensive loss for the period	-	-	(81,876)	-	(81,876)	-
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	(54,162)	(54,162)	-
Balance as at September 30, 2022	52,345,110	2,501,038	175,782	10,907,674	13,584,404	1,779,674

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


Chief Executive Officer


Chief Financial Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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. 67,395,007 million (September 30, 2021: Rs. 42,716,015 million) resulting in accumulated losses of Rs. 632,649,764 million as of September 30, 2022 (December 31, 2021: Rs. 565,308,919 million). Further, as of September 30, 2022, current liabilities of the Company exceeded its current assets by Rs. 314,820,306 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, 2021-22 and 2022-23 (July - September 2022), Rs. 16,768 million, Rs. 28,263 million, Rs. 19,072 million, Rs. 21,850 million and Rs. 3,422 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. 228.4520 = US\$ 1 (December 31, 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. 202.4828 = US\$ 1 (September 30, 2021: Rs. 165.2460 = 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- owned	4.1	67,717,988	73,418,994
- right of use asset	4.2	21,750,611	17,076,831
		<u>89,468,599</u>	<u>90,495,825</u>
Capital work-in-progress (CWIP)	4.3	3,215,216	534,293
		<u>92,683,815</u>	<u>91,030,118</u>
		Nine months period ended	
		September 30, 2022 (Un-Audited)	September 30, 2021
		----- (Rupees in '000) -----	
4.1 Owned			
- Additions during the period			
Building		110,485	1,776
Engineering equipment and tools		21,605	15,862
Furniture, fixtures and fittings		4,563	4,072
Equipment		119,952	84,557
Computer and office automation		69,963	14,347
Works & Hanger		17	-
Intang-Assets		17,693	-
Capital Spares		<u>150,575</u>	<u>126,713</u>
		<u>494,853</u>	<u>247,327</u>
4.1.1 - Transfers to investment property			
Land		611,600	-
Building		<u>225,375</u>	<u>-</u>
	5	<u>836,975</u>	<u>-</u>
4.2 Right of use assets			
- Additions during the period			
Aircraft		8,848,886	-
Building		<u>220,258</u>	<u>55,477</u>
		<u>9,069,144</u>	<u>55,477</u>
4.3 CWIP			
Additions during the period		2,792,089	174,689
Transferred to operating assets		<u>(111,166)</u>	<u>(36,270)</u>
		<u>2,680,923</u>	<u>138,419</u>
4.4 Depreciation charge for the period:			
Cost of services - others		9,721,208	9,522,363
Distribution costs		6,041	7,311
Administrative expenses		<u>9,307</u>	<u>11,283</u>
		<u>9,736,556</u>	<u>9,540,957</u>

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
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>
6. TRADE DEBTS			
Considered good			
Due from Government		3,802,767	3,941,966
Due from other customers		<u>18,344,239</u>	<u>10,983,888</u>
		22,147,006	14,925,854
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>22,147,006</u>	<u>14,925,854</u>
7. OTHER RECEIVABLES			
Considered good - Related parties			
Sales tax receivable	7.1	4,801,588	4,745,637
Government of Pakistan		169,778	133,720
PIA Investments Limited		2,023	2,023
Receivable from NICL		20,559	310,175
Excise duty		<u>100,000</u>	<u>100,000</u>
		5,093,948	5,291,555
Other than related parties			
Others		2,501,187	1,948,445
Considered doubtful			
Less: Provision for impairment against doubtful other receivables		<u>450,562</u>	<u>450,562</u>
		(450,562)	(450,562)
		-	-
		<u>7,595,135</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 interalia 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 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 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
8 CASH AND BANK BALANCES			
Cash			
In hand		3,264	1,483
With banks:			
- in current accounts	8.1	6,455,711	10,346,921
- in deposit accounts	8.2 & 8.3	1,951,171	2,147,928
		8,406,882	12,494,849
		8,410,146	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 9.5% (December 31, 2021: 0.5% to 8.9%) per annum.
- 8.3 This includes a bank balance of BDT 672.247 million (December 31, 2021: BDT 674.591 million) equivalent to Rs. 1,516.936 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
9. LONG-TERM FINANCING			
Borrowings:			
Sukuk certificates	9.1	281,202,838	267,010,376
Less: Unamortised transaction cost		5,675,000	5,675,000
		(503,795)	-
		286,374,043	272,685,376

9.1 Borrowings			
Balance at beginning of the period / year		318,647,418	277,230,558
Financing obtained during the period / year	9.2	39,217,977	80,145,433
Repayments made during the period / year		(29,691,569)	(44,188,607)
Exchange loss		14,542,570	5,460,034
		342,716,396	318,647,418
Less: Current maturity		(61,513,558)	(51,637,042)
Balance at end of the period / year		281,202,838	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
Askari Bank Limited	Term finance	PKR 12000	2024-2029	60 Monthly	12,000,000
Markup reimbursement from GoP					17,217,977
Total					39,217,977

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
10. LEASE LIABILITIES			
Secured			
- other than related party			
Present value of minimum lease payments			
- Aircraft fleet including engines		21,468,547	15,339,172
- Buildings		693,115	801,372
		22,161,662	16,140,544
Technical ground equipment		19,026	51,641
		22,180,688	16,192,185
Less: Current maturity		(6,744,309)	(5,843,802)
		15,436,379	10,348,383

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
11. TRADE AND OTHER PAYABLES	Note		
Trade creditors			
Goods		28,313,611	22,853,666
Services		28,596,915	13,615,768
Airport related charges		52,154,233	44,746,336
		109,064,759	81,215,770
Others			
Accrued liabilities	11.1	8,208,427	12,136,774
Employees VSS obligations		10,054	12,215
Advance against transportation (unearned revenue)		16,094,470	11,261,014
Obligation for compensated absences		6,925,671	6,264,113
Unredeemed frequent flyer liabilities		459,890	459,890
Advances from customers		2,964,680	2,238,816
Employees Provident Fund	11.2	898,007	2,916,046
Collection on behalf of others		61,561,489	58,894,804
Customs, federal excise duty and sales tax		2,175,407	2,865,423
Federal excise duty - International travel		10,437,645	11,694,263
Income tax deducted at source		1,650,701	1,673,081
Short term deposits		687,883	457,497
		<u>221,139,083</u>	<u>192,089,706</u>

11.1 This includes total management fee upto September 30, 2022 amounting to Rs. 184.642 million (December 31, 2021: Rs. 186.096 million) payable to PIA Investments Limited, a subsidiary company.

11.2 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- (Rupees in '000) -----	
12. ACCRUED INTEREST			
Mark-up / profit payable on:			
- long-term financing		15,109,051	11,482,403
- mark-up reimbursement loan from GoP		17,834,051	10,188,427
- Unamortised transaction cost		279,074	-
- sukuk certificates		9,805	8,816
- short-term borrowings		1,253,279	705,261
- provident fund		8,615,849	8,426,244
- advance from PIAIL		2,224,201	1,567,269
		<u>45,325,310</u>	<u>32,378,420</u>
13. SHORT-TERM BORROWINGS - SECURED			
Short-term loans		29,860,000	29,860,000
Running finance under mark-up arrangements		1,222,327	720,489
		<u>31,082,327</u>	<u>30,580,489</u>

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

14. CONTINGENCIES AND COMMITMENTS

14.1 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. 41,798 million as of September 30, 2022 (December 31, 2021: Rs. 38,048.147 million).

14.2 Commitments

- a) Commitments for capital expenditure amounted to Rs. 55.978 million (December 31, 2021: Rs. 176.411 million).
- b) Outstanding letters of guarantee amounted to Rs. 312.907 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. 349,052.725 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.

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

15. REVENUE - NET

Passenger	108,375,581	37,179,366	44,977,539	16,515,318
Cargo	4,700,911	3,134,544	1,758,422	1,242,161
Charter services	2,103,858	4,610,817	818,928	2,651,842
Others	5,462,980	4,440,387	1,892,815	1,314,824
	<u>120,643,330</u>	<u>49,365,114</u>	<u>49,447,703</u>	<u>21,724,146</u>

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

16. COST OF SERVICES - OTHERS

Salaries, wages and allowances	8,268,943	6,977,912	2,814,418	2,233,715
Welfare and social security costs	793,333	1,039,597	248,283	257,406
Retirement benefits	2,102,260	1,739,473	697,054	579,114
Compensated absences	371,129	145,215	123,714	46,192
Legal and professional charges	27,890	28,962	8,793	12,313
Stores and spares consumed	1,101,755	770,830	179,899	229,452
Maintenance and overhaul	9,651,135	6,412,830	3,400,347	2,372,991
Flight equipment rental	6,266,782	2,667,150	2,312,931	1,557,364
Aircraft Charter	5,717,507	3,040,867	1,953,694	1,816,469
Landing and handling	14,556,433	5,866,253	5,513,247	2,310,123
Passenger services	1,675,390	575,853	757,148	164,554
Crew layover	1,145,871	655,171	367,140	224,458
Staff training	24,975	7,705	9,013	5,286
Utilities	38,509	25,784	17,751	10,423
Communication	1,791,537	938,863	589,431	327,247
Insurance	4,102,817	5,038,376	1,492,704	1,779,002
Rent, rates and taxes	714,164	530,010	171,511	267,739
Printing and stationery	116,597	118,002	14,849	22,251
Depreciation	9,721,208	9,522,363	3,433,533	2,915,759
Amortisation on intangibles	5,291	9,517	1,793	3,344
Others	<u>1,201,959</u>	<u>402,320</u>	<u>328,548</u>	<u>162,048</u>
	<u>69,395,485</u>	<u>46,513,053</u>	<u>24,435,801</u>	<u>17,297,250</u>

	Nine months period ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Un-Audited)			
	(Rupees in '000)			
17. FINANCE COSTS				
Mark-up / profit / interest on :				
long-term financing	30,867,707	16,472,127	12,226,201	6,108,971
short-term borrowings	3,174,071	2,047,420	1,253,891	690,098
advance from PIAIL	173,484	89,813	90,790	30,642
lease liabilities	876,960	656,090	346,765	186,155
Arrangement, agency and commitment fee	167,244	321,190	(2,853)	170,864
Bank and other charges	265,542	14,878	(77,309)	(334,567)
less: Finance cost capitalized during the period	(569,953)	-	-	-
	<u>34,955,055</u>	<u>19,601,516</u>	<u>13,837,485</u>	<u>6,852,164</u>

	Nine months period ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Un-Audited)			
	(Rupees in '000)			
18. TAXATION				
Current tax	<u>904,825</u>	<u>370,238</u>	<u>370,858</u>	<u>361,741</u>

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.

	Nine months period ended	
	September 30, 2022	September 30, 2021
	(Un-Audited)	
	(Rupees in '000)	
19. LOSS PER SHARE - BASIC AND DILUTED		
Loss for the period	(67,395,007)	(42,716,015)
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)	(12.87)	(8.16)
'B' class ordinary share (Rupees)	(6.44)	(4.08)

20. CASH GENERATED FROM OPERATIONS

	Nine months period ended	
	September 30, 2022	September 30, 2021
	(Un-Audited)	
	(Rupees in '000)	
Loss before taxation	(66,490,182)	(42,345,777)
Adjustments for:		
Depreciation	9,736,556	9,540,957
Gain on disposal of property, plant and equipment	(1,508)	(1,817)
Amortisation of intangibles	66,138	118,966
Provision for slow moving stores and spares	(359,845)	263,746
Provision for expected credit loss	205,358	209,851
Provision against other receivables	173,355	-
Provision for employee benefits	4,256,403	3,174,647
Provision for redelivery cost	2,494,501	-
Finance cost	34,955,055	19,601,516
Unrealised exchange loss	18,419,445	3,728,323
Profit on bank deposits	(64,562)	(19,646)
	3,390,714	(5,729,234)
Working capital changes		
(Increase) / decrease in stores and spares	(734,079)	165,805
(Increase) in trade debts	(7,426,510)	(5,648,917)
(Increase) / decrease in advances	(1,003,695)	142,265
(Increase) in trade deposits and prepayments	(2,135,010)	(1,159,656)
(Increase) / decrease in other receivables	(528,489)	8,817,539
Increase in trade and other payables	28,387,819	3,437,723
	16,560,036	5,754,739
	19,950,750	25,525

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

Government of Pakistan
PIA Investments Limited PIAIL
Skyrooms (Private) Limited
Sabre Travel Network Pakistan (Private) Limited
Minhal France S.A
Al-Shifa Trust
PIA Main Pension Fund
PIA PALPA Fund
PIA FENA Fund
UK Pension Fund
Pakistan State Oil Company Limited
Pakistan Civil Aviation Authority
National Bank of Pakistan
National Insurance Corporation Limited
Federal Board of Revenue
Air Cdre Aamer Altaf
Amanullah Qureshi
Amir Ali
Amos Nadeem
Air Marshal Arshad Malik
AVM Irfan Zaheer
Air Cdre Jawad Zafar Chaudhry
Maj Khuram Mushtaq
Mohsin Ausaf Khan
AVM Muhammad Amir Hayat
Dr. Muhammad Altaf Tahir
Syed Ali Tahir Qasim
Syed Asif Gilani

Relationship

Major Shareholder (92% share)
Subsidiary
Subsidiary
Subsidiary
Sub - Subsidiary
CSR Setup
Post Retirement Benefits
Post Retirement Benefits
Post Retirement Benefits
Post Retirement Benefits
State owned / controlled entities
State owned / controlled entities
State owned / controlled entities
State owned / controlled entities
State owned / controlled entities
Key management personnel
Key management personnel
Key management personnel
Key management personnel
Key management personnel
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Key management personnel
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Key management personnel
Key management personnel
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:

		Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-Audited)	
		(Rupees in '000)	
Name of Related Parties	Nature of Transaction		
Skyrooms (Private) Limited	Payments made against in-transit passengers	50,054	10,153
	Reimbursement of expenses	602,755	363,238
PIA Investments Limited	Management fee expense	100,334	196,553
	Markup expense on advance	173,484	89,813
	Markup income on advance	149,215	-
Minhal France S.A.	Other income	105,615	203,178
Retirement benefit funds	Contribution to provident fund and others	1,516,188	528,104
	Interest on overdue balance of provident fund	189,605	509,736
Al-shifa Trust	Donation	3,500	2,450
Pakistan State Oil	Purchase of fuel	30,816,219	7,551,328
	Late Payment Interest	683,324	670,660
Civil Aviation Authority	Airport related charges	10,365,522	5,256,275
National Insurance Company Limited	Insurance premium	4,090,670	1,176,840
National Bank of Pakistan	Finance costs	3,880,577	2,599,372
Government of Pakistan	Finance costs	8,243,980	3,739,401
Key Management Personnel	Salaries, wages and other benefits	90,182	81,094

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 September 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 October 31, 2022.



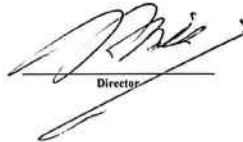
Chief Executive Officer



Chief Financial Officer



Chief Executive Officer



Director



Chief Financial Officer

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CONSOLIDATED
FINANCIAL
STATEMENTS



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

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	Rupees in '000		US\$ in '000	
ASSETS					
NON CURRENT ASSETS					
Fixed assets					
- Property, plant and equipment	4	154,112,166	146,161,724	674,593	828,048
- Intangibles		4,093,501	6,022,904	17,918	34,121
		158,205,667	152,184,628	692,511	862,169
Investment property	5	102,946,503	78,928,594	450,626	447,153
Long-term investments		275,967	371,199	1,208	2,103
Receivable from Centre Hotel		1,725,774	1,333,420	7,554	7,554
Long-term loans and advances		603	603	3	3
Long-term deposits and prepayments		4,108,729	4,542,740	17,985	25,736
Total non-current assets		267,263,244	237,361,184	1,169,887	1,344,718
CURRENT ASSETS					
Stores and spares		4,046,714	2,949,352	17,714	16,709
Trade debts	6	22,403,876	15,174,240	98,068	85,966
Short-term loans and advances		4,270,717	3,091,218	18,694	17,513
Trade deposits and prepayments		7,084,865	5,624,535	31,012	31,865
Other receivables	7	8,276,529	7,325,667	36,229	41,502
Short-term investments		19,220	19,220	84	109
Cash and bank balances	8	11,610,554	14,011,292	50,823	79,378
Total Current assets		57,712,474	48,195,524	252,624	273,042
TOTAL ASSETS		324,975,718	285,556,708	1,422,513	1,617,760
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid-up share capital		52,345,110	52,345,110	229,130	296,550
Reserves		7,023,121	13,704,339	30,742	77,639
Surplus on revaluation of property, plant and equipment - net		99,807,809	80,985,363	436,887	458,858
Accumulated losses		(635,348,324)	(565,421,057)	(2,781,102)	(3,203,274)
Attributable to the Holding Company's shareholders		(476,172,286)	(418,386,245)	(2,084,343)	(2,370,280)
Non-controlling interest		4,677,492	3,605,833	20,475	20,428
TOTAL EQUITY		(471,494,794)	(414,780,412)	(2,063,868)	(2,349,852)
NON-CURRENT LIABILITIES					
Long-term financing	9	323,607,422	302,573,060	1,416,523	1,714,165
Employee withdrawal liability		4,232,645	1,064,937	18,528	6,033
Lease Liabilities	10	15,453,766	10,348,383	67,646	58,627
Long-term advances and deposits		162,924	125,913	713	713
Derivative		97,466	87,498	427	496
Deferred taxation		33,919,255	27,510,930	148,474	155,857
Deferred liabilities		43,888,532	42,420,272	192,113	240,323
Total Non current liabilities		421,362,010	384,130,993	1,844,424	2,176,214
CURRENT LIABILITIES					
Trade and other payables	11	227,972,317	195,760,073	997,900	1,109,037
Unclaimed dividend - Preference shares		3,297	3,297	14	19
Accrued interest		45,468,186	30,843,526	199,027	174,737
Provision for taxation		1,679,816	1,182,293	7,353	6,698
Short-term borrowings	12	31,082,327	30,580,489	136,056	173,247
Current maturities of non - current liabilities	13	68,902,559	57,836,449	301,606	327,660
Total current liabilities		375,108,502	316,206,127	1,641,956	1,791,398
TOTAL LIABILITIES		796,470,512	700,337,120	3,486,380	3,967,612
TOTAL EQUITY AND LIABILITIES		324,975,718	285,556,708	1,422,513	1,617,760

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
AS AT SEPTEMBER 30, 2022

	Note	Nine months period ended		Quarter Ended		Nine months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		Rupees in '000				US\$ in '000	
REVENUE - NET	15	125,486,371	53,905,583	51,596,174	25,575,369	619,739	326,214
COST OF SERVICES							
Aircraft fuel	16	(55,753,601)	(13,439,685)	(25,175,755)	(5,808,833)	(275,350)	(81,331)
Others		(71,090,761)	(46,702,087)	(25,178,039)	(17,077,909)	(351,095)	(282,622)
		(126,844,362)	(60,141,772)	(50,353,794)	(22,886,742)	(626,445)	(363,953)
GROSS PROFIT		(1,357,990)	(6,236,189)	1,242,381	2,688,627	(6,706)	(37,739)
Distribution costs		(4,805,982)	(3,890,552)	(1,673,304)	(1,551,143)	(23,735)	(23,544)
Administrative expenses		(9,038,780)	(8,872,694)	(3,330,306)	(3,953,587)	(44,640)	(53,694)
Other provisions and adjustments		(537,184)	(1,052,588)	(218,034)	(523,839)	(2,653)	(6,370)
Other income		4,855,550	1,516,504	558,348	426,328	23,980	9,177
		(9,526,397)	(12,299,330)	(4,663,297)	(5,602,241)	(47,048)	(74,430)
LOSS FROM OPERATIONS		(10,884,387)	(18,535,520)	(3,420,918)	(2,913,615)	(53,754)	(112,169)
Exchange gain / (Loss) - net		(21,917,373)	(5,171,382)	(8,091,662)	(6,501,163)	(96,695)	(31,295)
LOSS BEFORE INTEREST AND TAXATION		(32,801,760)	(23,706,902)	(11,512,580)	(9,414,778)	(150,449)	(143,464)
Finance costs	17	(36,390,833)	(19,727,588)	(14,686,073)	(7,547,224)	(179,723)	(119,383)
LOSS BEFORE TAXATION		(69,192,593)	(43,434,489)	(26,198,653)	(16,962,001)	(330,172)	(262,847)
Taxation	18	(788,837)	(374,259)	(298,033)	(309,848)	(3,896)	(2,265)
LOSS FOR THE PERIOD		(69,981,429)	(43,808,748)	(26,496,685)	(17,271,850)	(334,068)	(265,112)
Attributable to:							
Equity holders of the Holding Company		(69,993,482)	(43,674,930)	(26,531,062)	(17,230,306)	(334,128)	(264,302)
Non-controlling interest		12,053	(133,818)	34,377	(41,544)	60	(810)
		(69,981,429)	(43,808,748)	(26,496,685)	(17,271,850)	(334,068)	(265,112)
LOSS PER SHARE - BASIC AND DILUTED							
Rupees							
US\$							
Loss attributable to:							
- 'A' class Ordinary shares of Rs 10 each		(13.37)	(8.37)	(5.06)	(3.30)	(0.07)	(0.05)
- 'B' class Ordinary shares of Rs 5 each		(6.69)	(4.19)	(2.53)	(1.65)	(0.03)	(0.03)

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
AS AT SEPTEMBER 30, 2022

	Nine months period ended		Quarter Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000			
Loss for the period	(69,981,429)	(43,808,748)	(26,496,685)	(17,271,850)
Other comprehensive income				
Unrealised gain on re-measurement of available for sale investments	(81,876)	(89,913)	(79,732)	(87,769)
Exchange differences on translation of foreign operations	(4,523,832)	7,235,088	1,388,989	(4,185,332)
Total comprehensive income	(74,587,137)	(36,663,574)	(25,187,428)	(21,544,951)
Attributable to:				
Equity holders of the Holding Company	(75,658,796)	(36,837,655)	(26,799,879)	(20,878,259)
Non-controlling interest	1,071,659	174,081	1,612,451	311,711
	(74,587,137)	(36,663,574)	(25,187,428)	(21,544,951)

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
AS AT SEPTEMBER 30, 2022

Note	Nine months period ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000		US\$ in '000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	19	22,730,451	610,607	112,258
Profit on bank deposits received		64,562	19,646	318
Finance costs paid		(23,278,362)	(16,086,163)	(114,964)
Taxes paid		(242,595)	(57,748)	(1,198)
Staff retirement benefits paid		(2,240,772)	(1,976,182)	(11,066)
Long-term deposits and prepayments - net		501,538	(1,004,390)	2,476
Net cash (used in) / generated from operating activities		(2,465,177)	(18,494,230)	(121,176)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(3,223,505)	(462,076)	(15,919)
Long term deposit advance		(2,094)	-	(10)
Restricted Cash		1,852	(108,519)	9
Purchase of Intangibles		(17,693)	(103,479)	(87)
Proceeds from sale of operating fixed assets		1,505	1,960	7
Net cash used in investing activities		(3,239,935)	(672,114)	(16,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term financing		(31,058,241)	(33,012,011)	(153,387)
Proceeds from long-term financing		39,217,977	55,697,635	193,685
Repayment of obligations under finance lease - net		(5,730,691)	(6,078,907)	(28,302)
Net cash generated from financing activities		2,429,044	16,606,717	11,996
Decrease in cash and cash equivalents		(3,276,068)	(2,559,627)	(16,180)
Cash and cash equivalents at the beginning of the period		13,450,482	6,803,273	66,427
Currency translation		233,033	116,411	1,150
Cash and cash equivalents at the end of the period		10,407,448	4,360,062	51,398
Cash and Cash equivalents				
Cash and bank balances	8	11,610,554	5,220,998	57,340
Short-term investments		19,220	19,220	94
Running finance under mark-up arrangements		(1,222,327)	(880,156)	(6,036)
		10,407,448	4,360,062	51,398

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer



 Chief Executive Officer


Chief Financial Officer

[Signature]
Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE Consolidated CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 Holding Company

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

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

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

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

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

1.2.1 Subsidiaries

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

Following are the details of PIAIL's subsidiaries:

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

1.2.2 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.

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

- 1.2.4** 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.
- 1.2.5** 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.
- 1.2.6** PIAIL has been Consolidated in these Consolidated condensed financial information on the basis of its Consolidated financial statements for the period ended September 30, 2022.
- 1.2.7** 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.
- 1.2.8** Sabre Travel Network Pakistan (Private) Limited (Sabre) was incorporated in Pakistan on October 12, 2004 as a private Holding Company limited by shares, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Sabre markets and distributes a computer reservation system to subscribers in Pakistan, under a sub-distribution agreement with Sabre Asia Pacific (Pte) Limited (Sabre TN APAC) (an associated Holding Company and joint venture partner), that incorporates a software package which performs various functions including real-time airlines seat reservations, schedules, bookings for a variety of air, car and hotel services, automated ticketing and fare displays. The Holding Company's controlling interest in Sabre is 70%. Sabre has been Consolidated on the basis of its unaudited financial statements for the year ended December 31, 2021 as the same is not considered material to these Consolidated condensed interim financial information.
- 1.2.9** The other subsidiaries of the Holding Company, **PIA Holding (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 financial statements.
- 1.2.10** 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.
- 1.2.11** 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.
- 1.2.12 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%.
- 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 Company include provision of engineering and allied services. The head office of the Holding Company is situated at PIA Building, Jinnah International Airport, Karachi.
- 1.3** During the current period, the Company incurred a net loss of Rs. 69,981.429 million (Sept 30, 2021: Rs. 43,808.748 million) resulting in accumulated losses of Rs. 635,348.324 million as of September 30, 2020 (December 31, 2019: Rs. 565,421.057 million). Further, as of September 30, 2020, current liabilities of the Company exceeded its current assets by Rs. 317,396.028 million (December 31, 2019: Rs. 268,010.603 million).
- 1.3.1** 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 Company through following measures to ensure that the Holding Company continues and sustains in the long term as a viable business entity:
- long-term financing to meet working capital requirements of the Holding Company;
 - issuance / renewal of guarantees to financial institutions, both local and foreign, enabling the Company to raise / rollover funds;
 - approval for extending repayment period of the term finance certificates;
 - 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, 2021-22 and 2022-23 (July - September 2022), Rs. 16,768 million, Rs. 28,268 million, Rs. 19,072 million, Rs. 21,850 million and Rs. 3,422 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 Holding Company presented its strategic business plan 2019-23 which was approved and during that meeting GoP assured full support to the Holding Company in terms of provision of funds / equity in order to increase its potential to compete in the aviation market.

- d) Further, through a letter dated March 04, 2020, GoP through ministry of finance has reiterated its maximum support to maintain the Holding 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

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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by 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

These consolidated 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

The consolidated condensed interim financial statements are presented in Pakistani Rupees, 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. 228.4520 = US\$ 1 (December 31, 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 average rate of Rs. 202.4828 = US\$ 1 (September 30, 2021: Rs. 165.2460 = US\$ 1).

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of the consolidated 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 year

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.

3.3 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.

3.4 Accounting estimates and judgements

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

		September 30, 2022	December 31, 2021
	Note	(Un-Audited)	(Audited)
		----- Rupees in '000 -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- owned	4.1	130,507,847	128,536,714
- Right of use asset		20,389,103	17,090,717
		<u>150,896,950</u>	<u>145,627,431</u>
Capital work-in-progress		3,215,216	534,293
		<u>154,112,166</u>	<u>146,161,724</u>
4.1	Included herein are the following additions / transfers / adjustments and deletions during the current period:		
		Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-Audited)	(Un-Audited)
		----- Rupees in '000 -----	
Owned			
Building		110,485	1,776
Engineering equipment and tools		21,605	15,862
Furniture, fixtures and fittings		4,563	4,072
Equipment		119,952	84,557
Computer and office automation		69,963	14,347
Works & Hanger		17	-
Intang-Assets		17,693	-
Capital Spares		150,575	126,713
		<u>494,853</u>	<u>247,327</u>
- Transfers to investment property			
Land		611,600	-
Building		225,375	-
		<u>836,975</u>	<u>-</u>
4.2 Right of use assets			
- Additions during the period			
Aircraft		8,848,886	-
Building		220,258	55,477
		<u>9,069,144</u>	<u>55,477</u>
		Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-Audited)	(Un-Audited)
		----- Rupees in '000 -----	
4.3 CWIP			
Additions during the period		2,792,089	174,689
Transferred to operating assets		(111,166)	(36,270)
		<u>2,680,923</u>	<u>138,419</u>
4.4 Depreciation charge for the period:			
Cost of services - others		9,725,997	9,535,825
Distribution costs		6,041	7,311
Administrative expenses		1,190,675	1,036,217
		<u>10,922,713</u>	<u>10,579,353</u>

		September 30, 2022 (Un-Audited) ----- Rupees in '000 -----	December 31, 2021 (Audited) ----- Rupees in '000 -----
5 INVESTMENT PROPERTY			
Balance at beginning of the period / year		102,081,131	78,684,123
Additions during the period		28,397	-
Transfer from operating fixed assets		836,975	206,186
Gain on revaluation		-	38,285
Balance at end of the period / year		102,946,503	78,928,594
		September 30, 2022 (Un-audited) ----- (Rupees in '000) -----	December 31, 2021 (Audited) ----- (Rupees in '000) -----
6 TRADE DEBTS			
Considered good			
Due from Government		4,059,637	11,232,274
Due from other customers		18,344,239	3,941,966
		22,403,876	15,174,240
Considered doubtful			
Government related		337,109	337,109
Other customers		5,052,170	5,184,545
Less: Allowance for expected credit loss		(5,389,279)	(5,521,654)
		-	-
		22,403,876	15,174,240
		September 30, 2022 (Un-Audited) ----- Rupees in '000 -----	December 31, 2021 (Audited) ----- Rupees in '000 -----
7 OTHER RECEIVABLES			
Considered good			
Claims receivable	5.1	20,559	310,175
Excise duty		100,000	100,000
Sales tax receivable	5.2	4,801,588	4,745,637
Grant receive from GoP		-	16,608
Receivable from GoP		169,778	117,112
Rental income		-	9,631
		5,091,925	5,299,163
- other than related parties			
Lessor		2,023	-
Others		3,182,581	2,026,504
		8,276,529	7,325,667
Considered doubtful			
Less: provision for doubtful other receivables		450,562	450,562
		(450,562)	(450,562)
		-	-
		8,276,529	7,325,667

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 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 inter alia 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.

The Holding Company in consultation with its tax advisor believes that apportionment rule is not applicable in the subject case inter alia, at first instance, no sales tax was required to be collected at import stage on capital goods (spares / engines / aircraft) in view of the exemption available under entry No. 16 of SRO 575(1)/2006, which is applicable to the 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
	Note	----- Rupees in '000 -----	
8 CASH AND BANK BALANCES			
In hand		13,577	1,176
In transit		-	29,907
		<u>13,577</u>	<u>31,083</u>
With banks:			
Restricted cash		695	-
- in current accounts	8.1	9,304,112	11,821,371
- in savings accounts	8.2 & 8.3	2,292,170	2,158,838
		<u>11,596,977</u>	<u>13,980,209</u>
		<u>11,610,554</u>	<u>14,011,292</u>

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 672.247 million (December 31, 2021: BDT 674.591 million) equivalent to Rs. 1,516.936 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.

		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
		----- Rupees in '000 -----	
9 LONG-TERM FINANCING			
Opening		354,565,707	303,606,550
Financing obtained during the period		61,704,843	80,955,649
Repayment during the period		(29,691,569)	(44,389,549)
Exchange loss		5,931,001	8,718,056
		<u>392,509,982</u>	<u>354,565,707</u>
Current maturity		<u>(68,902,559)</u>	<u>(51,992,647)</u>
		<u>323,607,422</u>	<u>302,573,060</u>

9.1 Financier	Type of facility	Facility amount (million)	Repayment period	Number of instalments/ Mode	September 30, 2022 (Un-Audited)
From Banking Companies - secured					
Habib Bank Limited	Term finance	PKR 17000	2023-2026	60 Monthly	10,000,000
Askari Bank Limited	Term finance	PKR 12000	2024-2029	60 Monthly	12,000,000
Markup reimbursement from GoP					17,217,977
PIAL Loans (RHC & MFSA)					22,486,866
					<u>61,704,843</u>

10 LEASE LIABILITIES

September 30, 2022
(Un-Audited)

December 31, 2021
(Audited)

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

Secured

- other than related party

- Present value of minimum lease payments
- Aircraft fleet including engines
- Properties

Technical ground equipments

Less: Current maturity

21,468,547	15,339,172
710,502	801,372
22,179,049	16,140,544
19,026	51,641
22,198,075	16,192,185
(6,744,309)	(5,843,802)
15,453,766	10,348,383

11 TRADE AND OTHER PAYABLES

September 30, 2022
(Un-Audited)

December 31, 2021
(Audited)

Trade creditors

- Goods
- Services
- Airport related charges

Other Liabilities

- Accrued liabilities
- Employee VSS obligation
- Advance against transportation (unearned revenue)
- Obligation for compensated absences
- Unredeemed frequent flyer liabilities
- Advances from customers
- Payable to employees' provident fund
- Amount due to related party
- Advances and deposits
- Collection on behalf of others
- Customs, Federal excise duty and Sales tax
- Federal excise duty - International travel
- Income tax deducted at source
- Short-term deposits
- Multi employer pension liability
- Sales tax payable
- Earnest money
- Payable to EOBI/SESSI
- Others

Rupees in '000	
29,554,572	22,853,666
28,596,915	13,615,768
52,154,233	45,690,328
110,305,720	82,159,762
11.1 10,057,458	12,792,963
10,054	12,215
16,094,470	11,261,014
6,925,671	6,264,113
459,890	459,890
2,964,680	2,238,816
11.2 935,780	2,950,664
3,349,418	620,454
74,751	57,194
61,561,489	58,894,804
2,175,407	2,865,423
10,437,645	11,694,263
1,650,701	1,681,095
687,883	457,497
-	1,064,937
(4,193)	-
977	248
25,118	-
259,399	284,721
227,972,317	195,760,073

11.1 This includes total management fee upto September 30, 2022 amounting to Rs. 184.642 million (December 31, 2021: Rs. 186.096 million) payable to PIA Investments Limited, a subsidiary company.

11.2 This represents amount deducted from employees on account of contribution to Provident Fund, the Holding 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.

September 30, 2022
(Un-Audited)

December 31, 2021
(Audited)

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

12 SHORT-TERM BORROWINGS

- Short-term loans - secured
- Running finance under mark-up arrangements

29,860,000	29,860,000
1,222,327	720,489
31,082,327	30,580,489

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 dates.

13 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	September 30 2022 (Un-Audited)	December 31 2021 (Audited)
	-----Rupees in '000-----	
Long-term financing	62,158,250	51,992,647
Liabilities against assets subject to finance lease	6,744,309	5,843,802
	68,902,559	57,836,449

14 CONTINGENCIES AND COMMITMENTS

14.1 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 Holding Company amounting to Rs. 41,798 million as of September 30, 2022 (December 31, 2021: Rs. 38,048.147 million).

The aggregate amount of the contingencies including tax matters as of September 30, 2020 is Rs 58,986 million (December 2019: 57,430 million).

14.1 Contingencies

- Commitments for capital expenditure amounted to Rs. 55,978 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. 349,052.725 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.

Note	Nine months period ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	----- (Un-Audited) -----			
	-----Rupees'000-----			
15 REVENUE - Net				
Passenger	108,375,581	37,072,660	44,977,538	16,509,055
Cargo	4,700,911	3,134,544	1,758,423	1,242,161
Charter	2,103,858	4,610,817	818,927	2,651,842
Room, food and beverages sales	4,107,556	3,293,603	1,876,239	2,966,027
Others	6,198,465	5,793,959	2,165,047	2,206,283
	125,486,371	53,905,583	51,596,174	25,575,369

16 COST OF SERVICES - Others

Salaries, wages and allowances	9,412,505	6,977,912	3,385,022	2,017,979
Welfare and social security costs	793,333	1,039,597	248,283	257,406
Retirement benefits	2,102,260	1,739,473	697,054	579,114
Compensated Absences	371,129	145,215	123,714	46,192
Legal and professional charges	27,890	28,962	8,793	12,313
Stores and spares consumed	1,101,755	770,830	179,899	229,452
Repair, Maintenance and overhaul	9,657,161	6,412,830	3,405,362	2,371,980
Flight equipment rental	6,266,782	2,667,150	2,312,931	1,442,752
Aircraft charter	5,717,507	3,040,867	1,953,694	1,931,081
Landing and handling	14,556,433	5,866,253	5,513,247	2,310,123
Passenger services	1,677,054	575,853	758,812	164,554
Crew layover	1,145,871	655,171	367,140	224,458
Staff training	24,975	7,705	9,013	7,705
Food cost	132,102	128,978	66,325	88,242
Utilities	72,541	59,816	35,307	27,979
Communication	1,802,185	950,520	594,035	330,807
Insurance	4,102,817	5,038,376	1,492,704	1,779,002
Rent, rates and taxes	728,847	530,010	175,404	256,949
Printing and stationery	116,597	118,907	14,849	23,156
Depreciation	9,725,997	9,535,825	3,852,606	2,920,697
Amortization	5,291	9,517	1,793	3,344
Others	1,549,729	402,320	(17,949)	52,624
	71,090,761	46,702,087	(25,178,039)	17,077,909

17 FINANCE COSTS

Mark-up on:

	Nine months period ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Un-Audited).....			
	-----Rupees'000-----			
- Long term financing	30,576,828	16,276,979	11,835,390	5,945,167
- Short term borrowings	3,174,071	2,047,420	1,253,891	690,098
- Return on term finance certificates	-	-	-	-
- Loan against GoP mark-up	-	-	-	-
	33,750,899	18,324,398	13,089,281	6,635,264
Profit on sukuk certificates	-	-	-	-
Lease Liabilities	2,312,315	656,090	1,782,120	186,155
Advances from Subsidiary	173,484	89,796	173,484	89,796
Discounting Income on deposits	186,300	(16,815)	186,300	(16,815)
Arrangement, agency and commitment fee and other bank charges	246,486	321,190	(266,461)	299,896
Amortisation of prepaid exposure fee	-	352,928	-	352,928
	(278,651)	-	(278,651)	-
Less: Finance cost capitalized during the period	36,390,833	19,727,588	14,686,073	7,547,224

18 TAXATION

	Nine months period ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Un-Audited).....			
	-----Rupees'000-----			
Current - for the period	788,837	374,259	298,033	309,848

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 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.

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.

Nine months period ended

September 30, 2022 (Un-Audited)	September 30, 2021 (Un-Audited)
-----Rupees in '000 -----	

19 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Loss before taxation	(69,192,593)	(43,434,489)
Adjustments for non cash items:		
Depreciation	10,922,713	10,579,353
Gain on disposal of property, plant and equipment	(1,508)	(1,817)
Adjustments for non-cash charges and other items	59,388	(82,451)
Amortization	66,138	118,966
Provision for slow moving stores and spares	(359,845)	263,746
Provision for employees' benefits	4,230,478	3,370,174
Provision for expected credit loss	205,358	209,851
Provision against other receivable	173,355	-
Provision for redelivery cost	2,494,501	-
Finance costs	37,129,616	19,727,588
Unrealised Exchange Gain / Loss	18,419,445	3,728,323
Profit on bank deposits	(64,562)	(19,646)
Cash generated from operations before working capital changes	4,082,483	(5,540,401)
Working capital changes:		
(Increase) in stores and spares	(1,097,362)	169,571
(Increase) / decrease in trade debts	(7,229,636)	(5,295,865)
(Increase) in advances	(1,179,499)	142,265
(Increase) / decrease in trade deposits and	(1,460,330)	(1,159,656)
(Increase) / decrease in other receivables	(528,489)	8,817,539
Increase / (decrease) in trade and other payables	30,143,285	3,477,154
	18,647,968	6,151,008
Cash generated from operations after working capital changes	22,730,451	610,607

20 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 Holding Company in the normal course of business carries out transactions with various related parties. The transactions with related parties, other than those relating to issuance of tickets at concessional rates to employees and directors according to the terms of employment / regulations and those not mentioned elsewhere in this consolidated condensed interim financial information is as follows:

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	92%	Major Shareholder
PIA Investments Limited (PIAIL)	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary
Abacus Distribution Systems Pakistan (Private) Limited	92%	Major Shareholder
Post Retirement Benefits	-	Post Retirement Benefits
PIA Main Pension Fund	-	Post Retirement Benefits
PIA PALPA Fund	-	Post Retirement Benefits
PIA FENA Fund	-	Post Retirement Benefits
Profit oriented state controlled entities	-	profit oriented state-controlled entities
Pakistan State Oil Holding Company Limited	-	profit oriented state-controlled entities
Pakistan Civil Aviation Authority	-	profit oriented state-controlled entities
National Bank of Pakistan	-	profit oriented state-controlled entities
National Insurance Corporation Limited	-	profit oriented state-controlled entities
Federal Board of Revenue	-	profit oriented state-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 Zahoor	-	Key management personnel
Air Cdre Jawad Zafar Chaudhry	-	Key management personnel
Air Cdre Jibran Saleem Butt	-	Key management personnel
Air Cdre Khalid Ur Rehman	-	Key management personnel
Maj Khuram Mushtaq	-	Key management personnel
Mohsin Ausaf Khan	-	Key management personnel
AVM Muhammad Amir Hayat	-	Key management personnel
Dr. Muhammad Altaf Tahir	-	Key management personnel
Air Cdre Shahid Qadir	-	Key management personnel
Syed Ali Tahir Qasim	-	Key management personnel
Syed Asif Gilani	-	Key management personnel

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

Name of Related Parties and relationship with the Holding Company	Nature of transactions	Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-Audited)	(Un-Audited)
		-----Rupees in '000-----	
Retirement funds			
	Contribution to provident Fund and other	1,516,188	528,104
	Interest on Loan from pension / provident fund	189,605	509,736
Profit oriented state-controlled entities - common ownership			
	Purchase of Fuel	30,816,219	7,551,328
	Late payment interest	683,324	670,660
Al-Shifa Trust	Donation	3,500	2,450
National insurance company limited	Insurance premium	4,090,670	1,176,840
National bank of Pakistan	Finance cost charged	3,880,577	2,599,372
Civil Aviation Authority Pakistan	Airport Related charges	10,365,522	5,256,275
GoP - Major shareholder	Finance cost charged	8,243,980	3,739,401
Key management personnel	Salaries, wages and other benefits	90,182	81,094

21 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial information were authorized for issue by the Board of Directors of the Holding Company in their meeting held on October 31, 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
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