PAKISTAN
International Airlines
Great People to Fly With

CORPORATE SECRETARIAT

FORM – 8

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

CS/S&T/FT/PSX/1QTR-19/21

February 02, 2021

**TRANSMISSION OF QUARTERLY REPORT
FOR THE PERIOD ENDED MARCH 31, 2019**

Dear Sir,

1. We have to inform you that the Quarterly Report of Pakistan International Airlines Corporation Limited (PIACL) for the period ended March 31, 2019 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,

Muhammad SHUAIB
Company Secretary

Pakistan International Airlines Corporation Limited
Head Office : Karachi Airport-Pakistan
Tel : 9904 4850
E-mail : secretary@piac.aero
Website: www.piac.com.pk

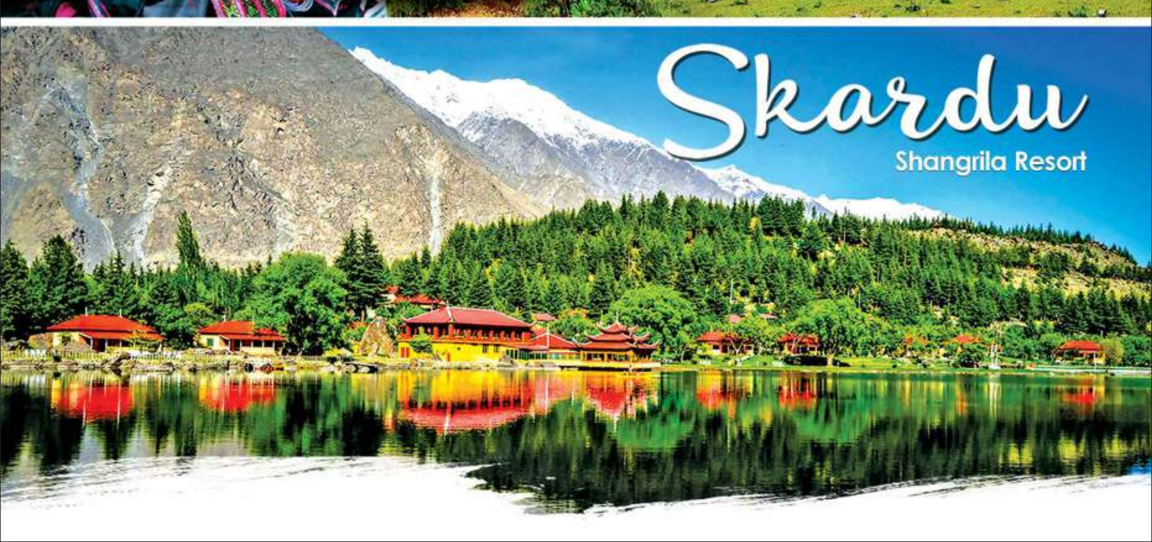
PAKISTAN
International Airlines
Great People to Fly With

FIRST QUARTERLY REPORT 2019

Explore the scenic beauty of

PAKISTAN

with
Pakistan International Airlines



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CORPORATE PROFILE
As at December 30, 2020

BOARD OF DIRECTORS

Mr Kamran Ali Afzal
Secretary Finance Division

Mr Noor Ahmed
Secretary Economic Affairs Division

Mr Shoukat Ali
Secretary Aviation Division

Mr Atif Aslam Bajwa

Mr Zahid F. Ebrahim

Syed Muhammad Ali Gardezi

Dr Jawaid Ghani

Mr Aslam R Khan

Air Marshal Arshad Malik
Chief Executive Officer

Mr Navaid H. Malik

Dr Zeelaf Munir

Mr Muhammad Shuaib
Company Secretary

Mr Muhammad Javed Jameel
Acting Chief Internal Auditor

EXECUTIVE MANGEMENT

Air Marshal Arshad Malik
Chief Executive Officer

AVM Muhammad Amir Hayat
Advisor to CEO

AVM Irfan Zaheer
Directors-Precision Engineering Complex

Mr Jawad Zafar Chaudhary
Chief Operating Officer & CCDO

Mr Ali Tahir Qasim
Chief Commercial Officer

Mr Khalilullah Shaikh
Chief Financial Officer

Capt Arshad Khan
Chief Flight Operations

Mr Khalid-ul-Rehman Barlas
Chief Information Officer

Mr Aamer Altaf
Chief Human Resource Officer

Mr Amir Ali
Chief Technical Officer

Mr Amanullah Qureshi
Chief of Tanning & Development

Mr Jibran Saleem Butt
Chief Supply Chain Management

Mr Shahid Qadir
Head of Security & Vigilance

OTHER CORPORATE INFORMATION

EXTERNAL AUDITORS

Messrs Grant Thornton & Co
Chartered Accountants

Messrs BDO Ebrahim & Co
Chartered Accountants

SHARE REGISTRAR

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

BANKERS

Al Baraka Bank
Askari Bank Limited
Bank Islami
The Bank of Punjab
Citi Bank N.A
Credit Suisse AG Singapore
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
United Bank Limited

REGISTERED OFFICE

PIA Building
Jinnah International Airport
Karachi - 75200 PAKISTAN
Tel:0092-21-990400
UNI:111-786-786
Web:www.piac.com.pk

BOARD **COMMITTEES**

As at December 30, 2020

NAME OF COMMITTEES	MEMBER NAME	DESIGNATION
Board Audit Committee (BAC)	Mr Atif Aslam Bajwa	**Chairman**
	Dr Zeelaf Munir	Member
	Dr Jawaid Ghani	Member
Board HR & Nomination Committee (BHRNC)	Mr Zahid F Ebrahim	**Chairman**
	Dr Zeelaf Munir	Member
	Air Marshal Arshad Malik	Member
Board Procurement Committee (BPC)	Dr Jawaid Ghani	**Chairman**
	Syed Muhammad Ali Gardezi	Member
	Air Marshal Arshad Malik	Member

DIRECTORS' REPORT - FOR THE PERIOD ENDED MARCH 31, 2019

On behalf of the Board of Directors, we are pleased to present the Company's Review Report together with the financial statements for the quarter ended March 31, 2019. The financial results for the period are summarized below:

(PKR in million)

	Jan- Mar 2019	*Jan- Mar 2018*
Revenue (net)	**30,759**	**25,359**
Aircraft fuel	(10,284)	(9,513)
Operating expense	(24,793)	(22,925)
Loss from Operations	**(4,318)**	**(7,079)**
Exchange Loss	(628)	(2,304)
Finance Cost	(6,788)	(4,181)
Loss Before Taxation	**(11,734)**	**(13,564)**

Revenue for First Quarter ended March 2019 witnessed a significant growth of 21.3 % as compared to 2018 and accordingly 'Loss from Operations' reduced by 39% as compared to 2018. This is a significant achievement and result of extensive hard work and new initiatives by Management. While the Operating Loss improved, the Company suffered a severe hit due to rising interest rates and currency devaluation as depicted below:

Average rates	*2019*	*2018*
6 month KIBOR	10.83%	6.39%
3 months KIBOR	10.66%	6.36%
3 month LIBOR	2.69%	1.92%
Exchange Rate	138.77	110.55

The operating environment for PIA remains very challenging due to COVID-19; however, we are hopeful that with the support of our customers, dedication of our employees and continued support of Government of Pakistan, we will emerge stronger for the better times ahead.

For and on behalf of the Board.

Air Marshal Arshad Malik
Chief Executive Officer

Navaid H. Malik
Director

December 30, 2020

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UNCONSOLIDATED FINANCIAL STATEMENTS

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		(Rupees in '000)		(US$ in '000)	
ASSETS					
NON CURRENT ASSETS					
Fixed assets					
- Property, plant and equipment	4	98,892,076	78,026,605	704,891	561,649
- Intangibles		254,272	275,563	1,812	1,984
		99,146,348	78,302,168	706,703	563,633
Long-term investments		4,572,533	4,599,767	32,592	33,110
Long-term deposits and prepayments		7,123,998	8,562,836	50,779	61,637
Total non current assets		110,842,879	91,464,771	790,074	658,380
CURRENT ASSETS					
Stores and spares		4,015,789	3,981,893	28,624	28,662
Trade debts	5	15,038,707	16,377,366	107,194	117,887
Advances		6,065,315	2,591,560	43,233	18,655
Trade deposits and short term prepayments		2,159,715	2,170,964	15,394	15,627
Other receivables	6	8,649,568	8,070,202	61,653	58,091
Short-term investments		19,220	19,220	137	138
Cash and bank balances	7	3,726,297	1,734,448	26,561	12,485
Total current assets		39,674,611	34,945,653	282,796	251,545
TOTAL ASSETS		150,517,490	126,410,424	1,072,870	909,925
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid-up share capital		52,345,110	52,345,110	373,110	376,789
Reserves		4,435,573	4,462,806	31,616	32,124
Surplus on revaluation of property, plant and equipment- net		23,766,370	24,134,932	169,404	173,727
Accumulated losses		(461,954,210)	(437,696,479)	(3,292,753)	(3,150,616)
Total Shareholders' Equity		(381,407,157)	(356,753,631)	(2,718,623)	(2,567,976)
NON CURRENT LIABILITIES					
Long-term financing	8	154,424,342	148,742,994	1,100,718	1,070,678
Term finance and sukuk certificates		-	2,054,401	-	14,788
Lease liabilities	9	20,351,146	172,771	145,060	1,244
Advance from a subsidiary		5,630,738	5,575,748	40,135	40,135
Deferred liabilities		40,501,826	38,048,236	288,692	273,878
Total non-current liabilities		220,908,052	194,594,150	1,574,605	1,400,723
CURRENT LIABILITIES					
Trade and other payables	10	172,450,603	164,570,556	1,229,207	1,184,609
Unclaimed dividend - Preference shares		3,297	3,297	24	24
Accrued interest	11	17,829,028	16,531,580	127,083	118,997
Provision for taxation - net		1,426,663	1,380,723	10,169	9,939
Short-term borrowings	12	34,801,437	34,447,358	248,060	247,958
Current maturity of non-current liabilities	13	84,505,567	71,636,391	602,345	515,651
Total current liabilities		311,016,595	288,569,905	2,216,888	2,077,178
TOTAL LIABILITIES		531,924,647	483,164,055	3,791,493	3,477,900
TOTAL EQUITY AND LIABILITIES		150,517,490	126,410,424	1,072,870	909,925
CONTINGENCIES AND COMMITMENTS	18				

The annexed notes 1 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Three months period ended March 31, 2019	Three months period ended March 31, 2018	Three months period ended March 31, 2019	Three months period ended March 31, 2018
		(Rupees in '000)		(USD in '000)	
REVENUE - NET	14	30,759,084	25,358,679	220,323	224,406
COST OF SERVICES					
Aircraft fuel		(10,284,336)	(9,513,197)	(73,665)	(84,185)
Others	15	(21,455,365)	(19,696,530)	(153,682)	(174,300)
		(31,739,701)	(29,209,727)	(227,347)	(258,485)
GROSS LOSS		(980,617)	(3,851,048)	(7,024)	(34,079)
Distribution costs		(1,245,342)	(1,334,132)	(8,920)	(11,806)
Administrative expenses		(1,644,548)	(1,762,657)	(11,780)	(15,598)
Other provisions and adjustments		(447,391)	(149,045)	(3,205)	(1,319)
Other income		-	17,736	-	157
		(3,337,281)	(3,228,095)	(23,905)	(28,565)
LOSS FROM OPERATIONS		(4,317,898)	(7,079,143)	(30,929)	(62,644)
Exchange loss - net		(628,287)	(2,303,997)	(4,500)	(20,389)
LOSS BEFORE INTEREST AND TAXATION		(4,946,185)	(9,383,143)	(35,429)	(83,034)
Finance costs	16	(6,788,080)	(4,181,161)	(48,622)	(37,000)
LOSS BEFORE TAXATION		(11,734,265)	(13,564,304)	(84,051)	(120,034)
Taxation	17	(153,795)	(126,779)	(1,102)	(1,122)
LOSS FOR THE PERIOD		(11,888,060)	(13,691,083)	(85,153)	(121,156)
LOSS PER SHARE - BASIC AND DILUTED		(Rupees)		(US$)	
Loss attributable to:					
'A' class ordinary shares of Rs. 10 each		(2.27)	(2.62)	(0.02)	(0.02)
'B' class ordinary shares of Rs. 5 each		(1.14)	(1.31)	(0.01)	(0.01)

The annexed notes 1 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer   Director   Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Three months period ended		Three months period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	------------- (Rupees in '000) -----------		--------------- (US$ in '000) ---------------	
Loss for the period	(11,888,060)	(13,691,083)	(85,153)	(121,156)
Other comprehensive income				
Items that will not be reclassified subsequently to unconsolidated condensed interim statement of profit or loss				
Unrealised loss on re-measurement of investment at FVOCI	(27,234)	-	(195)	-
Items that will be reclassified subsequently to unconsolidated condensed interim statement of profit or loss				
Unrealised on re-measurement of available for sale investment	-	(865)	-	(8)
Total comprehensive loss for the period	(11,915,294)	(13,691,948)	(85,348)	(121,164)

The annexed notes 1 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Three months period ended March 31, 2019	Three months period ended March 31, 2018	Three months period ended March 31, 2019	Three months period ended March 31, 2018
		(Rupees in '000)		(US$ in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	19	4,660,894	(755,654)	33,385	(6,687)
Profit on bank deposits received		4,110	1,149	29	10
Finance costs paid		(7,974,870)	(3,015,361)	(57,123)	(26,684)
Taxes paid		(107,854)	(111,926)	(773)	(990)
Staff retirement benefits paid		(233,918)	(452,220)	(1,676)	(4,002)
Long-term deposits and prepayments - net		1,438,840	(92,747)	10,306	(821)
Net cash used in operating activities		(2,212,798)	(4,426,759)	(15,852)	(39,174)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,957,178)	(316,149)	(14,019)	(2,798)
Purchase of Intangibles		(957)	(609)	(7)	(5)
Proceeds from sale of property, plant and equipment		35	-	-	-
Net cash used in investing activities		(1,958,100)	(316,758)	(14,026)	(2,803)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long-term financing		(652,700)	(9,736,437)	(4,675)	(86,160)
Proceeds from long-term financing		9,366,482	18,809,998	67,091	166,456
Repayment of term finance certificates		(2,888,344)	(2,054,401)	(20,689)	(18,180)
Repayment of lease liabilities		(329)	311,975	(2)	2,761
Net cash generated from financing activities		5,825,109	7,331,135	41,725	64,877
Increase in cash and cash equivalents		1,654,211	2,587,618	11,847	22,900
Cash and cash equivalents at the beginning of the period		(1,185,821)	1,090,312	(8,494)	9,648
Cash and cash equivalents at the end of the period		468,390	3,677,930	3,353	32,548
Cash and cash equivalents					
Cash and bank balances		3,726,297	4,890,399	26,691	43,277
Running finance under mark-up arrangements		(3,257,907)	(1,212,469)	(23,338)	(10,729)
		468,390	3,677,930	3,353	32,548

The annexed notes 1 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	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	Subtotal	Revenue reserves	Accumulated losses	Total
	(Rupees in '000)							
Balance as at January 01, 2018	52,345,110	2,501,038	169,991	22,008,745	24,679,774	1,779,674	(370,276,199)	(291,471,641)
Total comprehensive loss for the three months period ended March 31, 2018:								
Loss for the period	-	-	-	-	-	-	(13,691,083)	(13,691,083)
Other comprehensive loss for the period	-	-	(865)	-	(865)	-	-	(865)
Total comprehensive loss for the period	-	-	(865)	-	(865)	-	(13,691,083)	(13,691,948)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon-net of Tax	-	-	-	(121,277)	(121,277)	-	121,277	-
Balance as at March 31, 2018	52,345,110	2,501,038	169,126	21,887,468	24,557,632	1,779,674	(383,846,005)	(305,163,589)
Balance as at January 01, 2019 - as previously reported	52,345,110	2,501,038	182,095	24,134,932	26,818,065	1,779,674	(437,696,479)	(356,753,630)
Effect of change due to adoption of IFRS -16 (note 3.1.3)	-	-	-	-	-	-	(11,594,542)	(11,594,542)
Effect of change in accounting policy due to adpotion of IFRS-9 (note 3.1.1)	-	-	-	-	-	-	(1,143,691)	(1,143,691)
Balance as at January 01, 2019 as restated	52,345,110	2,501,038	182,095	24,134,932	26,818,065	1,779,674	(450,434,712)	(369,491,863)
Loss for the period	-	-	-	-	-	-	(11,888,060)	(11,888,060)
Other comprehensive loss for the period	-	-	(27,234)	-	(27,234)	-	-	(27,234)
Total comprehensive loss for the period	-	-	(27,234)	-	(27,234)	-	(11,888,060)	(11,915,294)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	(368,562)	(368,562)	-	368,562	-
Balance as at March 31, 2019	52,345,110	2,501,038	154,861	23,766,370	26,422,269	1,779,674	(461,954,210)	(381,407,157)

The annexed notes 1 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

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 company into a public limited company by shares, through Act No. XV of 2016 'The Pakistan International Airlines Company (Conversion) Act, 2016' (the Conversion Act) approved by the Parliament of Pakistan. The Conversion Act has repealed the Pakistan International Company Act, 1956 and the Company is now governed under the Companies Act, 2017 (The Act). According to the Conversion Act, all assets, rights, license, privileges and benefits of which the Company was entitled were transferred to the Company and the Company has assumed all liabilities and obligations of the Company. However, the management believes that in substance there is no change except for the legal status and application of provisions of the Act.

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

1.2 During the current period, the Company incurred a net loss of Rs. 11,888.058 million (March 31, 2018: Rs. 13,691.083 million) resulting in accumulated losses of Rs. 461,954.208 million as of March 31, 2019 (December 31, 2018: Rs. 437,696.479 million). Further, as of March 31, 2019, current liabilities of the Company exceeded its current assets by Rs. 271,341.983 million (December 31, 2018: Rs. 212,163.420 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, the management believes that though the sustainability of the future operations of the 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 unconsolidated condensed interim financial information is prepared on a going concern basis.

a) GoP, being a major shareholder of the Company, through its letter dated September 02, 2008 and February 19, 2018 communicated that it would extend maximum support to maintain the Company's going concern status.

b) In a meeting with the Honorable Prime Minister of Pakistan (PM) on December 30, 2017, following decisions / steps have been taken by the GoP to support the Company:

- approval for reimbursement of markup for five years, accordingly an amount of Rs. 16,019 million has been provided by GoP upto June 30, 2019.
- GoP guarantee limit enhanced from Rs.178,085 million to Rs 222,107 million to meet the cash deficit.

(c) Further, in a meeting with PM on April 4, 2019, the Company presented its strategic business plan 2019-23 and during that meeting PM assured GoP's full support to the Company in terms of provision of funds /equity in order to increase its potential to compete in the Aviation market. Thereafter, in Finance Act 2019, GoP has allocated Rs. 24,500 million in respect of mark-up support to the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This unconsolidated 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 This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and, therefore, should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended December 31, 2018.

Items included in the unconsolidated condensed interim financial information are measured using the currency of the primary economic environment in which the Company operates. This unconsolidated condensed interim financial information is presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.3 The US $ 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 this unconsolidated condensed interim financial information. The US $ amounts in the unconsolidated condensed interim statement of financial position, have been translated into US $ at the rate of Rs. 140.2942 = US $ 1 (December 31, 2018: Rs. 138.9241 = US $ 1). The US $ amounts in 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 $ at the rate of Rs. 139.6092 = US $ 1 (March 31, 2018: Rs. 113.0035 = US $ 1).

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2018, except as disclosed below.

3.1 New accounting standards

The Company has adopted the following standards, amendments and interpretations to International Financial Reporting Standards (IFRSs) which became effective for the current period:

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Employee Benefits: Plan Amendment, Curtailment or Settlement (Amendment)

IAS 28 - Investments in associates and joint ventures: Long-term interest in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

The Company applied IFRS 9, IFRS 15 and IFRS 16 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

3.1.1 IFRS 9 - Financial instruments

Effective from January 1, 2019, the Company has adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has an impact on the assets of the Company which are exposed to credit risk.

The Company has adopted IFRS 9 from January 1, 2019 which resulted in changes in accounting policies, reclassifications and adjustments to the amounts recognised in this unconsolidated condensed interim financial information. However, in accordance with the transitional provisions specified in IFRS 9, the Company has adopted modified retrospective approach and not restated comparative figures. The impact of adoption of this standard is therefore recognised in the statement of financial position and retained earnings on January 1, 2019.

The nature and effect of the changes as a result of the adoption of IFRS 9 are as follows:

Financial assets

Classification and subsequent measurement

In accordance with IFRS-9, the Company has classified its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

a) At amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured are described below.

b) At fair value through other comprehensive income (FVOCI)

Investments in equity instruments classified at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss). For investments traded in active market, fair value is determined by reference to quoted market price.

c) At fair value through profit or loss (FVPL)

Financial assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

Financial liabilities

There is no significant change in classification, measurement and recognition of financial liabilities as a result of adoption of IFRS 9.

Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Financial Assets - December 31, 2018	Measurement Category In accordance with		Carrying Amount		
	IAS 39	IFRS 9	IAS 39	IFRS 9	Difference
				(Rupees in '000)	
Long-term investments	Available for Sale	Fair Value through OCI	183,228	183,228	-
Long-term deposits	Loans and receivables	Amortized Cost	8,562,836	8,523,354	39,482
Trade debts - net	Loans and receivables	Amortized Cost	16,377,366	15,277,319	1,100,047
Short-term deposits	Loans and receivables	Amortized Cost	2,170,964	2,169,426	1,538
Other receivables	Loans and receivables	Amortized Cost	8,070,202	8,070,202	-
Short-term investments	Held for trading	Fair Value through Profit and Loss	19,220	19,220	-
Cash and bank balances	Loans and receivables	Amortized Cost	1,734,448	1,731,824	2,624

The difference has arisen due to implementation of expected credit loss model over the financial assets. The reclassification change upon implementation of IFRS 9 did not result in any adjustment to amount recognised in the statemet of financial position.

The impact of transition to IFRS 9 on retained earnings and revaluation reserve as on January 01, 2019 is as follows:

Retained Earnings	**(Rupees in '000)**
Balances as at December 31, 2018	(437,696,479)
Impact of Adoption of IFRS 9 over	
- Increase in provision of trade debts	(1,100,047)
- Increase in provision of trade deposits	(1,538)
- Increase in provision of long-term deposits	(39,482)
- Increase in provision of cash and bank balances	(2,624)
- Increase in deferred tax assets	331,671
- Adjustmet of deferred tax against unutilized losses	(331,671)
Opening Balance as at January 01, 2019	(438,840,170)

The adoption of IFRS 9 resulted in increase in 'Other provisions and adjustments - net' and loss before tax of Rs 76.012 million. The change in accounting Policy also resulted in increase in loss after tax by Rs. 76.012 million and decrease in EPS by Rs. 0.01521.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at January 1, 2019 (on adoption of IFRS 9) and as at March 31, 2019 was determined as follows for trade debts:

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at January 1, 2019 (on adoption of IFRS 9) amounted to Rs. 3.991 billion and loss allowance as at March 31, 2019 amounted to Rs. 4.035 billion.

3.1.2 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - 'Revenue from Contracts with Customers', supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue when the control of goods or services have been transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contract liabilities are included within trade and other payables on the face of the statement of financial position. They arise from the customers, which enter into contract that can take few years to complete, because cumulative payments received from customers at date of each statement of financial position do not necessarily equal the amount of revenue recognised on the contracts.

The Company elected the modified retrospective method and applied the standard retrospectively to only the most current period presented in the unconsolidated condensed interim financial information. Accordingly, the information presented for the corresponding period has not been restated. There were no material differences between revenue recognition under IFRS 15 and revenue recognsition under IAS 11 or IAS 18 and accordingly, the adoption of standard did not have any material impact on this unconsolidated condensed interim financial information.

3.1.3 IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions.

The Company has adopted IFRS 16 from January 1, 2019, and has adopted modified retrospective approach and not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening statement of financial position and retained earnings on January 01, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 ranges between 3.41% - 9.88% for foreign currency based liabilities and between 12.14% - 15.17% for PKR based liabilities.

Lease liability and Right-of-use asset

The Company mainly leases aircrafts, engines, local and international sales offices, and counters at various airports. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are in Company's determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured at the commencement date of lease based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

The impact of transition to IFRS 16 on unconsolidated condensed interim financial information as on January 01, 2019 is as follows:

	March 31, 2019	January 01, 2019
	------------ Rupees in '000 ------------	
Total lease liability recognised	32,557,878	34,711,844

The right-of use assets were measured on retrospective basis from the commencement of the respective lease arrangements.

	March 31, 2019	January 01, 2019
	------------ Rupees in '000 ------------	
The recognised right-of-use assets relate to the following types of assets:		
Property	1,483,496	1,576,804
Aircraft Fleet including Engines	31,462,354	33,486,418
Technical Ground Equipment	377,765	397,358
Total right-of-use assets	33,323,615	35,460,580

The change in accounting policy affected the following items in the statement of financial position:

Impact on the statement of financial position		
- Increase in property, plant and equipment	20,429,121	22,330,182
Increase in total assets	**20,429,121**	**22,330,182**
- Increase in liability against right-of-use asset	31,908,615	33,924,723
- Increase in deferred tax asset	(15,177,943)	(16,313,922)
- Adjustment of deferred tax against unutilized losses	15,177,943	16,313,922
Increase in total liabilities	**31,908,615**	**33,924,723**
Decrease in net assets	**(11,479,494)**	**(11,594,541)**

	March 31, 2019
	Rupees in'000
Impact on statement of profit or loss	
- Increase in financial charges - interest expense on lease liability against right-of-use assets	498,665
- Increase in exchange loss	433,765
- Increase in administrative expenses - depreciation on right-of-use assets	1,906,575
- Decrease in administrative expenses - rentals	(2,954,052)
- Decrease in profit before taxation	**(115,047)**
- Tax charge @ 29%	-
- Decrease in profit after taxation	**(115,047)**

Earnings per share for the period ended March 31, 2019 have decreased by Rs. 0.6288 due to adoption of IFRS 16.

Practical Expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- grandfathered the assessment of which transactions are lease on the date of initial application;
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 01, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3.2 Significant accounting estimates and judgements

Estimates and judgments made by the management in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended December 31, 2018 except as follows:

As part of the adoption of IFRS, the Company has made a number of estimates and judgements.. These include;

- As disclosed in note 3.1.3, the Company has used modified retrospective transition approach and has measured right of use assets and lease liabilites accordingly.
- The Company has identified certain obligations associated with the maintenance condition of its aircraft on redelivery to the lessor, such as the requirement to complete a final airframe check, repaint the aircraft and reconfigure the cabin. These have been recognised as part of the ROU asset on transition. Judgement has been used to identify the appropriate obligations and estimation has been used (based on observable data) to measure them. Other maintenance obligations associated with these assets, comprising obligations that arise as the aircraft is utilised, such as engine overhauls and periodic airframe checks, will continue to be recognised as a maintenance expense over the lease term.

- For certain aircrafts, the Company has an option to purchase the aircrafts as at the end of the lease term. The management believes that it is not reasonably certain to exercise the purchase option at the end of lease term, and accordingly corresponding impacts have not been taken in the determination of Right of Use Assets and lease liabilites.

			March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
4	**PROPERTY, PLANT AND EQUIPMENT**	**Note**	-----------Rupees in '000-----------	
	Operating fixed assets			
	- Owned		62,740,011	61,925,043
	- Right of use asset		33,323,615	13,130,399
			96,063,626	75,055,442
	Capital work-in-progress		2,828,450	2,971,163
		4.1	98,892,076	78,026,605

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

	Three months period ended March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	-----------Rupees in '000-----------	
Owned		
Building	32,210	-
Aircraft fleet	386,519	-
Engineering equipment and tools	113,090	5,846
Furniture, fixtures and fittings	10,566	1,942
Vehicle Owned	3,825	
Other equipment	4,990	8,236
Computer and office automation	219,048	17,734
Other equipment	-	-
Capital spares	142,445	53,487
	912,693	87,245
Right of use asset	258,444	-
Capital work in progress	(142,713)	119,680
	1,028,424	206,925

		March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		-----------Rupees in '000-----------	
5	**TRADE DEBTS**		
	Considered good		
	Due from GoP	2,872,933	2,455,722
	Due from other customers	12,165,774	13,921,644
		15,038,707	16,377,366
	Considered doubtful		
	Government related	337,109	337,109
	Other customers	3,697,980	2,554,289
	Less: Allowance for expected credit loss	(4,035,089)	(2,891,398)
		-	-
		15,038,707	16,377,366

6 OTHER RECEIVABLES

	Note		
Considered good			
- related parties			
Claims receivable		13,719	13,719
Excise duty		100,000	100,000
Sales tax receivable	6.1	5,064,743	4,947,540
		5,178,462	5,061,259
- other than related parties			
Lessor	6.2	1,032,081	1,512,013
Others		2,439,025	1,496,929
		8,649,568	8,070,202
Considered doubtful		334,807	334,807
Less: Allowance for expected credit loss		(334,807)	(334,807)
		-	-
		8,649,568	8,070,202

6.1 This includes sales tax refundable aggregating Rs. 4,745.637 million (December 31, 2018: Rs. 4,745.637 million) representing unadjusted portion of input tax under Sales Tax Act, 1990 (the Act). The Company had filed application for refunds of input sales tax up to December 31, 2011. In response, ACIR, Large Taxpayers Unit (LTU) concluded 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.

However, 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 and is confident that sales tax was not payable on such imports and the amounts collected from the Company at the import stage shall be eventually recovered / adjusted.

6.2 This represents receivable from lessor in respect of overhauling incurred by the Company on leased aircrafts.

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		(Rupees in '000)	
7 CASH AND BANK BALANCES			
In hand		15,929	11,945
With banks			
- in current accounts	7.1	2,477,453	520,023
- in deposit accounts	7.2 & 7.3	1,232,915	1,202,480
		3,710,368	1,722,503
		3,726,297	1,734,448

7.1 These had been adjusted by an aggregate amount of Rs. 7,399.051 million (2018: Rs. 3,290.876 million), representing book overdrafts.

7.2 These carry interest ranging from 0.1% to 7.5% (2018: 0.1% to 7.5%) per annum.

7.3 These include bank balance of BDT 671.756 million (Rs. 1,140.440 million) held at National Bank of Pakistan, Dhaka and Habib Bank Limited, Dhaka. The management of the Company is currently facing challenges in remittance of such balance to Pakistan due to compliance / procedural matters. However, the Company holds clean and absolute title of subject bank accounts, being free to make payments / transfers within Bangladesh territory.

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		(Rupees in '000)	

8 LONG -TERM FINANCING

Opening		199,173,286	143,556,479
Financing obtained during the period		17,717,270	70,968,750
Repayment during the period		(8,967,417)	(27,477,312)
Exchange loss		616,630	12,125,369
		208,539,769	199,173,286
Less: Current maturity		(54,115,427)	(50,430,292)
		154,424,342	148,742,994

9 LEASE LIABILITIES

Present value of minimum lease payments:			
- Aircraft fleet		28,638,256	2,099,119
- Properties		1,558,433	-
- Engines		2,120,409	-
		32,317,098	2,099,119
Technical ground equipments		240,780	262,399
		32,557,878	2,361,518
Less: Current maturity of lease liabilities		(12,206,732)	(2,188,747)
		20,351,146	172,771

10 TRADE AND OTHER PAYABLES

Trade creditors			
Goods		19,145,331	19,167,119
Services		13,085,215	11,895,065
Airport related charges		33,364,489	32,329,376
		65,595,035	63,391,560
Others			
Accrued liabilities	10.1	7,058,015	6,518,788
Advance against transportation (unearned revenue)		16,765,854	13,150,950
Obligation for compensated absences		7,714,596	7,367,021
Unredeemed frequent flyer liabilities		649,360	649,360
Advances from customers		1,247,731	1,032,339
Payable to employees' provident fund	10.2	11,192,590	11,190,851
Collection on behalf of others		48,519,664	46,035,290
Customs, Federal excise duty and Sales tax		1,801,980	2,580,447
Federal excise duty - International travel		9,928,221	9,959,757
Income tax deducted at source		1,360,673	2,075,338
Short-term deposits		616,884	618,856
		172,450,603	164,570,556

10.1 These include management fee amounting to Rs. 83,966 million (December 31, 2018: Rs. 68.551 million) payable to PIA Investments Limited, a subsidiary company.

10.2 This represents amount deducted from employees on account of contribution to Provident Fund, the Company's own contribution and deductions from employees on account of loan recoveries on behalf of Provident Fund which is payable to Pakistan International Airlines Corporation Provident Fund (PF), which could not be paid to PF within 15 days as required by Section 218 of the Act 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.

		March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		(Rupees in '000)	
11	**ACCRUED INTEREST**		
	Mark-up / profit payable on:		
	- Long-term financing	8,953,030	8,719,366
	- Mark-up reimbursement loan from GoP	257,991	73,376
	- Term finance certificates	476,143	510,513
	- Sukuk certificates	348,615	156,128
	- Lease liabilities	1,039	1,064
	- Short-term borrowings	944,547	593,272
	- Provident fund	6,016,392	5,714,038
	- Advance from a subsidiary	831,271	763,823
		17,829,028	16,531,580
12	**SHORT-TERM BORROWINGS**		
	Short-term loans - secured	31,543,530	31,527,089
	Running finance under mark-up arrangements	3,257,907	2,920,269
		34,801,437	34,447,358

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

		March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		(Rupees in '000)	
13	**CURRENT MATURITY OF NON-CURRENT LIABILITIES**		
	Long-term financing	54,115,427	50,430,292
	Term finance and sukuk certificates	18,183,408	19,017,352
	Lease liabilities	12,206,732	2,188,747
		84,505,567	71,636,391

	Three months period ended March 31, 2019	March 31, 2018
	---------- (Un-Audited) ----------	
	---------- (Rupees in '000) ----------	

14 REVENUE - NET

	March 31, 2019	March 31, 2018
Passenger	28,396,375	22,751,834
Cargo	1,138,511	1,375,670
Excess baggage	92,135	136,224
Charter services	26,433	17,415
Engineering services	176,680	191,092
Handling and related services	107,618	130,238
Mail	33,989	31,279
Others	787,345	724,927
	30,759,084	25,358,679

15 COST OF SERVICES - OTHERS

	March 31, 2019	March 31, 2018
Salaries, wages and allowances	3,526,211	3,480,243
Welfare and social security costs	421,266	629,298
Retirement benefits	863,836	796,877
Compensated absences	250,367	191,377
Legal and professional charges	11,196	14,899
Stores and spares consumed	134,541	406,854
Maintenance and overhaul	4,331,443	2,738,852
Flight equipment rental	637,299	2,877,136
Landing and handling	4,705,390	4,127,021
Passenger services	864,581	804,011
Crew layover	919,625	788,162
Staff training	5,404	24,893
Utilities	7,744	12,749
Communication	650,315	1,030,232
Insurance	484,445	282,796
Rent, rates and taxes	119,251	124,537
Printing and stationery	52,300	45,543
Depreciation	3,321,085	1,115,977
Amortisation of intangibles	1,780	1,652
Others	147,284	203,421
	21,455,365	19,696,530

	Three months period ended	
	March 31, 2019	March 31, 2018
	------------- (Un-Audited) --------	
	--------- (Rupees in '000) ---------	

16 FINANCE COSTS

Mark-up / profit on:		
- long-term financing	4,604,095	2,645,918
- term finance certificates	340,443	342,549
- Profit on sukuk certificates	192,486	132,796
- short-term borrowings	946,167	557,400
- interest on loan from GoP against markup	184,615	-
- advance from a subsidiary	59,268	38,299
	6,327,074	3,716,962
Interest on provident fund	302,354	168,218
Arrangement, agency and commitment fee	83,734	167,201
Amortisation of prepaid exposure fee	16,407	45,197
Bank charges, guarantee commission and other related charges	58,511	83,583
	6,788,080	4,181,161

17 TAXATION

Current	**153,795**	**126,779**

There has been no material change in the status of tax contingencies as disclosed in notes 39.2 to the unconsolidated financial statements for the year ended December 31, 2018.

18 CONTINGENCIES AND COMMITMENTS

There has been no material change in the status of contingencies as disclosed in notes 31.1 to the unconsolidated financial statements for the year ended December 31, 2018.

	Three months period ended March 31, 2019	March 31, 2018
	------------------ (Un-Audited) ----------	
	------------ (Rupees in '000) ------------	

19 CASH GENERATED FROM OPERATIONS

	March 31, 2019	March 31, 2018
Loss before tax	(11,734,265)	(13,564,304)
Adjustments for:		
Depreciation	3,329,078	1,118,510
Gain on disposal of property, plant and equipment	(35)	-
Amortization of intangibles	22,248	20,651
Provision for slow moving stores and spares	75,352	-
Provision for employees' benefits	1,821,823	1,610,425
Provision for expected credit loss	38,006	-
Finance costs	6,788,080	4,181,161
Unrealised exchange loss	724,130	2,250,647
Profit on bank deposits	(4,110)	(1,149)
	1,060,307	(4,384,059)
Working capital changes :		
(Increase) / decrease in:		
Stores and spares	432,147	(176,301)
Trade debts	194,968	(3,067,655)
Advances	(3,473,755)	352,337
Trade deposits and prepayments	11,249	280,088
Other receivables	(579,367)	(657,401)
	(3,414,758)	(3,268,932)
Increase in trade and other payables	7,015,345	6,897,337
	3,600,586	3,628,405
	4,660,894	(755,654)

20 TRANSACTIONS WITH RELATED PARTIES

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

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	92%	Major Shareholder
PIA Investments Limited (PIAIL)	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary

Name of Related Parties	Direct Shareholding	Relationship
Abacus Distribution Systems Pakistan (Private) Limited	70%	Subsidiary
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		
Pakistan State Oil Company Limited	-	State owned / controlled entities
Pakistan Civil Aviation Authority	-	State owned / controlled entities
National Bank of Pakistan	-	State owned / controlled entities
National Insurance Corporation Limited	-	State owned / controlled entities
Federal Board of Revenue	-	State owned / controlled entities
Amir Ali	-	Key management personnel
Younus M Khan	-	Key management personnel
Amanullah Qureshi	-	Key management personnel
Maj Khuram Mushtaq	-	Key management personnel
Nayyar Hayat	-	Key management personnel
Omer Razzaq	-	Key management personnel
Aijaz Mazhar	-	Key management personnel
AVM Soban Nazir Syed	-	Key management personnel
AVM Noor Abbas	-	Key management personnel
Mr. Muhammad Shuaib	-	Key management personnel
Kashif Rehman Rana	-	Key management personnel
Air Cdre Jibran Saleem Butt	-	Key management personnel
Air Cdre Jawad Zafar Chaudhry	-	Key management personnel
Air Cdre Shahid Qadir	-	Key management personnel
Air Cdre Aamer Altaf	-	Key management personnel

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

Name of Related Parties and relationship with the Company		March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
		(Rupees in '000)	
Skyrooms (Private) Limited – Subsidiary			
	Payments made against in-transit	79,975	92,688
	Services hired	132,777	47,917
PIA Investments Limited - Subsidiary	Management fee expense	83,966	87,323
	Finance cost on advance	59,268	38,299
Minhal France S.A -Subsidiary	Management fee income	86,655	90,641
Retirement funds	Contribution to provident Fund and	587,150	752,871
	Interest on Loan from pension / provident fund	302,354	168,218
Profit oriented state-controlled entities - common ownership	Purchase of Fuel	6,041,228	3,605,439
	Insurance premium	500,162	274,914
	Late payment interest	398,000	222,000
	Finance costs	1,412,250	1,011,950
	Airport Related charges	1,308,265	979,442
GoP - Major shareholder	Finance cost charged	381,875	197,260
Key management personnel	Salaries, wages and other benefits	25,100	38,063

20.2 The Company's sales of transportation services to subsidiaries, associates, directors and key management personnel are not determinable.

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

21.1 Financial risk factors

This unconsolidated condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company annual financial statements for the year ended December 31, 2018. There have been no changes in any risk management policies since the year end.

21.2 Fair value estimation

As at March 31, 2019, the Company's all assets and liabilities are carried at cost except for those mentioned below:

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

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

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

22. DATE OF AUTHORISATION FOR ISSUE BY THE BOARD OF DIRECTORS

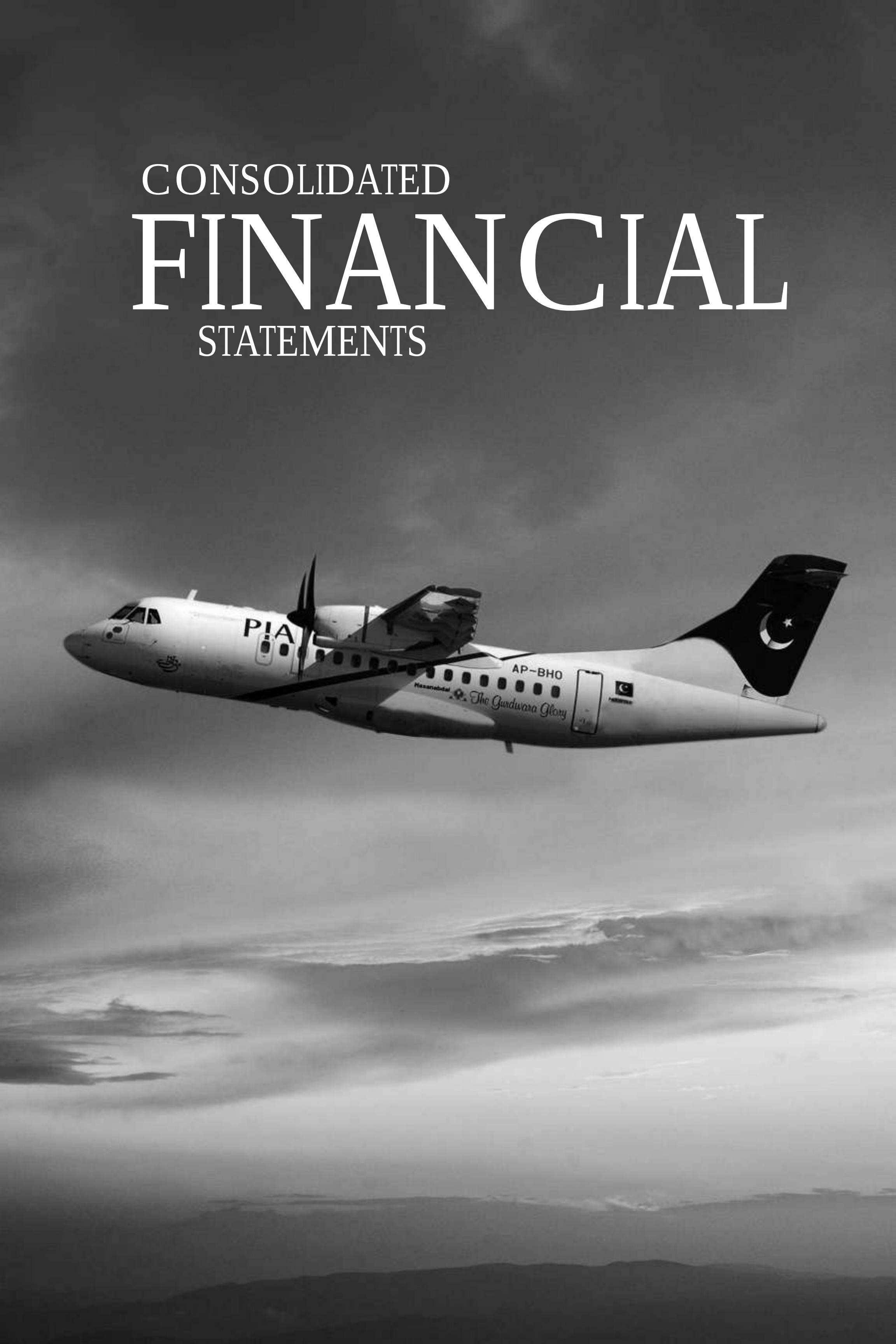
This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors in their meeting held on 30 December, 2020.

Chief Executive Officer	Director	Chief Financial Officer

Chief Executive Officer

Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS



PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		Rupees in '000		US$ in '000	
ASSETS					
NON CURRENT ASSETS					
Fixed assets					
- Property, plant and equipment	4	**229,993,087**	205,028,522	**1,639,363**	1,475,831
- Intangibles		**5,008,318**	4,803,127	**35,699**	34,574
		235,001,405	209,831,649	**1,675,062**	1,510,405
Long-term investments		**248,612**	272,790	**1,772**	1,964
Receivable from Centre Hotel		**1,059,812**	1,049,462	**7,554**	7,554
Long-term deposits and prepayments		**7,794,084**	8,893,334	**55,555**	64,016
Total non-current assets		**244,103,913**	220,047,235	**1,739,943**	1,583,939
CURRENT ASSETS					
Stores and spares		**4,059,206**	4,030,887	**28,934**	29,015
Trade debts		**17,144,200**	17,110,912	**122,202**	123,167
Short-term loans and advances		**6,067,124**	2,592,282	**43,246**	18,660
Trade deposits and prepayments		**2,250,855**	4,143,665	**16,044**	29,827
Other receivables	5	**9,291,823**	8,482,436	**66,231**	61,058
Short-term investments		**19,220**	19,220	**137**	138
Cash and bank balances	6	**7,397,031**	6,564,972	**52,725**	47,256
Total Current assets		**46,229,459**	42,944,374	**329,519**	309,121
TOTAL ASSETS		**290,333,372**	262,991,609	**2,069,462**	1,893,060
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid-up share capital		**52,345,110**	52,345,110	**373,110**	376,789
Reserves		**12,362,068**	9,437,819	**88,115**	67,935
Surplus on revaluation of property, plant and equipment - net		**95,240,929**	94,911,477	**678,866**	683,189
Accumulated losses		**(451,452,081)**	(426,576,865)	**(3,217,896)**	(3,070,575)
Attributable to the Holding Company's shareholders		**(291,503,974)**	(269,882,459)	**(2,077,805)**	(1,942,662)
Non-controlling interest		**2,980,227**	3,005,439	**21,243**	21,634
TOTAL EQUITY		**(288,523,747)**	(266,877,020)	**(2,056,562)**	(1,921,028)
NON-CURRENT LIABILITIES					
Long-term financing	7	**170,490,380**	164,561,875	**1,215,236**	1,184,545
Term finance and sukuk certificates		**-**	2,054,401	**-**	14,788
Lease Liabilities	8	**20,351,146**	172,771	**145,060**	1,244
Long-term advances and deposits		**124,492**	125,990	**887**	907
Derivative		**106,035**	107,009	**756**	770
Deferred taxation		**34,031,387**	33,871,104	**242,572**	243,810
Deferred liabilities		**40,664,106**	38,250,352	**289,849**	275,333
Total Non current liabilities		**265,767,546**	239,143,502	**1,894,360**	1,721,397
CURRENT LIABILITIES					
Trade and other payables	9	**175,225,316**	167,728,555	**1,248,988**	1,207,340
Unclaimed dividend - Preference shares		**3,297**	3,297	**26**	24
Accrued interest		**17,372,144**	15,824,417	**123,827**	113,907
Provision for taxation		**1,181,812**	1,085,109	**8,418**	7,811
Short-term borrowings	10	**34,801,437**	34,447,358	**248,060**	247,958
Current maturities of non - current liabilities	11	**84,505,567**	71,636,392	**602,345**	515,651
Total current liabilities		**313,089,573**	290,725,128	**2,231,664**	2,092,691
TOTAL LIABILITIES		**578,857,119**	529,868,630	**4,126,024**	3,814,088
TOTAL EQUITY AND LIABILITIES		**290,333,372**	262,991,609	**2,069,462**	1,893,060
CONTINGENCIES AND COMMITMENTS	12				

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		Three months period ended		Three months period ended	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	Note	------------Rupees in '000 ------------		------------ US$ in '000 ------------	
REVENUE - NET	13	**33,428,477**	28,179,910	**239,443**	249,372
COST OF SERVICES					
Aircraft fuel		**(10,284,336)**	(9,513,197)	**(73,665)**	(84,185)
Others	14	**(23,395,232)**	(21,311,810)	**(167,577)**	(188,594)
		(33,679,568)	(30,825,007)	**(241,242)**	(272,779)
GROSS (LOSS)		**(251,091)**	(2,645,097)	**(1,799)**	(23,407)
Distribution costs		**(1,522,728)**	(1,516,664)	**(10,907)**	(13,421)
Administrative expenses		**(2,570,577)**	(2,926,615)	**(18,413)**	(25,898)
Other provisions and adjustments		**(628,073)**	(149,045)	**(4,499)**	(1,319)
Other income		**86,205**	76,036	**617**	673
		(4,635,173)	(4,516,288)	**(33,201)**	(39,965)
LOSS FROM OPERATIONS		**(4,886,264)**	(7,161,385)	**(35,000)**	(63,372)
Exhange Loss - net		**(244,172)**	(2,299,961)	**(1,749)**	(20,353)
LOSS BEFORE INTEREST AND TAXATION		**(5,130,436)**	(9,461,346)	**(36,749)**	**(83,725)**
Finance costs	15	**(7,219,567)**	(4,341,551)	**(51,713)**	(38,420)
Share of (loss) in an associate		**(417)**	(275)	**(3)**	(2)
LOSS BEFORE TAXATION		**(12,350,420)**	**(13,803,172)**	**(88,462)**	**(122,147)**
Taxation	16	**(154,236)**	(164,709)	**(1,105)**	(1,458)
LOSS FOR THE PERIOD		**(12,504,656)**	(13,967,881)	**(89,567)**	(123,605)
Attributable to:					
Equity holders of the Holding Company		**(12,505,545)**	(14,001,818)	**(89,573)**	(123,905)
Non-controlling interest		**889**	33,937	**6**	300
		(12,504,656)	(13,967,881)	**(89,567)**	(123,605)
LOSS PER SHARE - BASIC AND DILUTED		------------ Rupees ------------		------------ US$ ------------	
Loss attributable to:					
- "A' class Ordinary shares of Rs 10 each		**(2.39)**	**(2.67)**	**(0.02)**	**(0.02)**
- "B' class Ordinary shares of Rs 5 each		**(1.20)**	**(1.34)**	**(0.01)**	**(0.01)**

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer	Director	Chief Financial Officer
Chief Executive Officer		Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Three months period ended		Three months period ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	----------Rupees in '000---------		---------------- US$ in '000 ----------------	
Loss for the period	**(12,504,656)**	(13,967,881)	**(89,567)**	(123,605)
Other comprehensive income				
Unrealised (loss) / gain on re-measurement of available for sale investments	**(27,234)**	26,271	**(195)**	232
Exchange differences on translation of foreign operations	**2,929,940**	1,802,086	**20,987**	15,947
Total comprehensive income	**(9,601,950)**	(12,139,524)	**(68,775)**	(107,426)
Attributable to:				
Equity holders of the Holding Company	**(9,576,738)**	(12,261,333)	**(68,594)**	(108,503)
Non-controlling interest	**(25,212)**	121,809	**(181)**	300
	(9,601,950)	(12,139,524)	**(68,775)**	(107,426)

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Three months period ended March 31, 2019	Three months period ended March 31, 2018	Three months period ended March 31, 2019	Three months period ended March 31, 2018
		Rupees in '000		US$ in '000	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	17	**5,860,313**	1,452,887	**41,976**	12,857
Profit on bank deposits received		**36,976**	1,149	**264**	10
Finance costs paid		**(5,671,844)**	(3,209,301)	**(40,627)**	(28,400)
Taxes paid		**(57,533)**	(178,880)	**(412)**	(1,583)
Staff retirement benefits paid		**(346,714)**	(710,926)	**(2,483)**	(6,291)
Long-term deposits and prepayments - net		**1,099,250**	(187,030)	**7,874**	(1,655)
Net cash (used in) / generated from operating activities		**920,449**	(2,832,101)	**6,592**	(25,062)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(6,100,150)**	(3,383,122)	**(43,695)**	(29,938)
Purchase of Intangibles		**(206,986)**	(294,549)	**(1,483)**	(2,607)
Proceeds from sale of operating fixed assets		**36**	-	**-**	-
Net cash used in investing activities		**(6,307,100)**	(3,677,671)	**(45,178)**	(32,545)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long-term financing		**(8,967,417)**	(9,736,437)	**(64,232)**	(86,160)
Proceeds from long-term financing		**17,964,427**	23,057,972	**128,677**	204,047
Repayment of term finance certificates		**(2,888,345)**	(2,054,400)	**(20,689)**	(18,180)
Dividend paid to non-controlling interest		**-**	(41,770)	**-**	(370)
Short term borrowing - net		**16,441**	-	**118**	-
Repayment of obligations under finance lease - net		**(320,937)**	311,975	**(2,299)**	2,761
Net cash generated from financing activities		**5,804,169**	11,537,340	**41,575**	102,098
Increase in cash and cash equivalents		**417,518**	5,027,569	**2,989**	44,491
Cash and cash equivalents at the beginning of the period		**3,644,704**	6,544,641	**26,108**	57,915
Currency translation		**76,902**	-	**553**	-
Cash and cash equivalents at the end of the period		**4,139,124**	11,572,210	**29,650**	102,406
Cash and Cash equivalents					
Cash and bank balances		**7,397,031**	12,784,679	**52,986**	113,135
Short-term borrowings		**(3,257,907)**	(1,212,469)	**(23,336)**	(10,729)
		4,139,124	11,572,210	**29,650**	102,406

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Attributable to the Holding Company's shareholders											
			Reserves									
	Issued, subscribed, and paid-up capital	Surplus on revaluation of property, plant and equipment-net	Capital reserves	Revenue reserves	Hedging Reserve	Unrealised gain on remeasurement of investments	Foreign currency translation reserves	Legal reserve	Sub Total	Accumulated loss	Non-controlling interest	Total
	Rupees in '000											
Balance as at January 01, 2018	52,345,110	75,882,915	2,501,038	1,779,674	-	169,991	1,214,850	37,655	5,703,208	(360,529,456)	2,084,069	(224,514,154)
Total comprehensive income for the period:												
- Loss for the period	-	-	-	-	-	-	-	-	-	(14,001,818)	33,937	(13,967,881)
- Other comprehensive income for the period:												
- Currency translation differences	-	-	-	-	-	-	1,714,214	-	1,714,214	-	87,872	1,802,086
- Unrealised gain on re-measurement of investments	-	-	-	-	-	26,271	-	-	26,271	-	-	26,271
Total comprehensive income for the period transferred to equity	-	-	-	-	-	26,271	1,714,214	-	1,740,485	(14,001,818)	121,809	(12,139,524)
Currency translation differences	-	2,413,793	-	-	-	-	-	1,687	1,687	-	-	2,415,480
Surplus on revaluation of property, plant and equipment realised during the quarter ended March 31, 2018 on account of incremental depreciation charged thereon-net of tax	-	(121,277)	-	-	-	-	-	-	-	121,277	-	-
Dividend paid to Non - controlling interest	-	-	-	-	-	-	-	-	-	-	(41,770)	(41,770)
Balance as at March 31, 2018	52,345,110	78,175,431	2,501,038	1,779,674	-	196,262	2,929,064	39,342	7,445,380	(374,409,997)	2,164,108	(234,279,968)
Balance as at January 1, 2019 as previously reported	52,345,110	94,911,477	2,501,038	1,779,674	(74,502)	182,095	5,002,184	47,330	9,437,819	(426,576,865)	3,005,439	(266,877,020)
Effect of restatement - Note 3.1.1	-	-	-	-	-	-	-	-	-	(12,738,233)	-	(12,738,233)
Balance as at January 1, 2019 as restated	52,345,110	94,911,477	2,501,038	1,779,674	(74,502)	182,095	5,002,184	47,330	9,437,819	(439,315,098)	3,005,439	(279,615,253)
Total comprehensive income for the period:												
- Loss for the period	-	-	-	-	-	-	-	-	-	(12,505,545)	889	(12,504,656)
- Currency translation differences	-	-	-	-	-	-	2,956,041	-	2,956,041	-	(26,101)	2,929,940
- Unrealised loss on re-measurement of investments	-	-	-	-	-	(27,234)	-	-	(27,234)	-	-	(27,234)
Total comprehensive income for the period transferred to equity	-	-	-	-	-	(27,234)	2,956,041	-	2,928,807	(12,505,545)	(25,212)	(9,601,950)
Currency translation differences	-	698,014	-	-	(5,025)	-	-	467	(4,558)			693,456
Surplus on revaluation of property, plant and equipment realised during the quarter ended March 31, 2019 on account of incremental depreciation charged thereon-net of tax	-	(368,562)	-	-	-	-	-	-	-	368,562	-	-
Balance as at March 31, 2019	52,345,110	95,240,929	2,501,038	1,779,674	(79,527)	154,861	7,958,225	47,797	12,362,068	(451,452,081)	2,980,227	(288,523,747)

The annexed notes 1 to 20 form a consolidated condensed interim financial statements.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

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 Corporation Limited - Holding Company

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

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

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

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

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

Subsidiaries

PIA Investments Limited (PIAIL) was incorporated on September 10, 1977 in Sharjah, United Arab Emirates, as a limited liability 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 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 2017: 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 Company, N.V. (RHC)	Netherlands - Antilles	See note (A) below	100	**100**
• RHC Operating LLC	State of Delaware, USA	Owner of Roosevelt Hotel, New York	100	**100**
• Minhal France S.a.r.l.	Luxembourg	See note (B)	100	**100**
• Minhal France B.V.	Netherlands	See note (B)	100	**100**
• PIA Hotels Limited	British Virgin Islands	See note (B)	100	**100**
• PIA Aviation Limited (PAL)	British Virgin Islands	See note (B)	100	**100**
• Avant Hotels (Private) Limited	Pakistan	See note (C)	62.5	**62.5**
• Minhal France S.A. (MFSA)	France	See note (D)	90	**90**

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

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

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

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

PIAIL has been Consolidated in these Consolidated condensed financial information on the basis of its Consolidated financial statements for the three months period ended March 31, 2019.

Skyrooms (Private) Limited (SRL) was incorporated on May 20, 1975 in Pakistan as a private limited Company under the Companies Act, 1913 (now repealed Companies Ordinance, 1984). SRL owns and manages Airport Hotel, Karachi. SRL is a wholly owned subsidiary of the Holding Company. SRL has been Consolidated on the basis of its management accounts for the three months period ended March 31, 2019 as the same is not considered to be material to these Consolidated condensed interim financial information.

Sabre Travel Network Pakistan (Private) Limited (Sabre) was incorporated in Pakistan on October 12, 2004 as a private 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 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 management accounts for the three months period ended March 31, 2019 as the same is not considered material to these Consolidated condensed interim financial information.

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

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

Associate

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

1.3 During the current period, the Group incurred a net loss of Rs. 12,504.653 million (March 31, 2018: Rs. 13,967.881 million) resulting in accumulated losses of Rs. 451,452.078 million as of March 31, 2019 (December 31, 2018: Rs. 426,576.865 million). Further, as of March 31, 2019, current liabilities of the Group exceeded its current assets by Rs. 266,860.111 million (December 31, 2018: Rs. 247,780.754 million).

In view of the situation described above, the management has made an assessment of the Group'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 dependent on the support of the Government of Pakistan (GoP), no material uncertainty exists and going concern assumption is appropriate. Accordingly, this unconsolidated condensed interim financial information is prepared on a going concern basis.

a) GoP, being the major shareholder of the Company, through its letters dated September 02, 2008 and February 19, 2018 communicated that it would extend maximum support to maintain the Company's going concern status.

b) In a meeting with the Honorable Prime Minister of Pakistan (PM) on December 30, 2017, following decisions / steps have been taken by the GoP to support the Company:

- approval for reimbursement of markup for five years, accordingly an amount of Rs. 16,019 million has been provided by GoP upto June 30, 2019.
- GoP guarantee limit enhanced from Rs.178,085 million to Rs 222,107 million to meet the cash deficit.

c) Further, in a meeting with PM on April 4, 2019, the Holding Company presented its strategic business plan 2019-23 which was approved and during that meeting PM assured GoP's full support to the Holding Company in terms of provision of funds / equity in order to increase its potential to compete in the Aviation market. Thereafter, in Finance Act 2019, GoP has allocated Rs. 24,500 million in respect of mark-up support to the Holding Company.

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 This Consolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and, therefore, should be read in conjunction with the annual Consolidated financial statements for the year ended December 31, 2018.

2.3 Items included in the consolidated condensed interim financial information are measured using the currency of the primary economic environment in which the Holding Company operates. This unconsolidated condensed interim financial information is presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.

2.4 The US $ 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 this Consolidated condensed interim financial information. The US $ amounts in the Consolidated condensed interim statement of financial position, have been translated into US $ at the rate of Rs. 140.2942 = US $ 1 (December 31, 2018: Rs. 138.9241 = US $ 1). The US $ amounts in 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 $ at the rate of Rs. 139.6092 = US $ 1 (March 31, 2018: Rs. 113.0035 = US $ 1).

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2018, except as disclosed below.

3.1 New accounting standards

The Holding Company has adopted the following amendments and interpretations to International Financial Reporting Standards (IFRSs) which became effective for the current period:

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Employee Benefits: Plan Amendment, Curtailment or Settlement (Amendment)

IAS 28 - Investments in associates and joint ventures: Long-term interest in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

The Holding Company applied IFRS 9, IFRS 15 and IFRS 16 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

3.1.1 IFRS 9 - Financial instruments

Effective from January 1, 2019, the Holding Company has adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has an impact on the assets of the Holding Company which are exposed to credit risk.

The Holding Company has adopted IFRS 9 from January 1, 2019 which resulted in changes in accounting policies, reclassifications and adjustments to the amounts recognised in this Consolidated condensed interim financial information. However, in accordance with the transitional provisions specified in IFRS 9, the Holding Company has adopted modified retrospective approach and not restated comparative figures. The impact of adoption of this standard is therefore recognised in the statement of financial position and retained earnings on January 1, 2019.

The application of IFRS 9 resulted in the following changes in categories of financial instruments:

Financial assets

Classification and subsequent measurement

The Holding Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

a) At amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured are described below.

b) Fair value through other comprehensive income (FVOCI)

Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss). For investments traded in active market, fair value is determined by reference to quoted market price.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

Financial liabilities

There is no significant change in classification, measurement and recognition of financial liabilities.

Impairment

The Holding Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Holding Company expects to receive).The Holding Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Financial Assets - December 31, 2018	Measurement Category In accordance with IAS 39	IFRS 9	Carrying Amount IAS 39	IFRS 9	Difference
Long-term investments	Available for Sale	Fair Value through OCI	183,228	183,228	-
Long-term deposits	Loans and receivables	Amortized Cost	8,562,836	8,523,354	39,482
Trade debts - net	Loans and receivables	Amortized Cost	16,377,366	15,277,319	1,100,047
Trade deposits	Loans and receivables	Amortized Cost	2,170,964	2,169,426	1,538
Other receivables	Loans and receivables	Amortized Cost	8,070,202	8,070,202	-
Short-term investments	Held for trading	Fair Value through Profit and Loss	19,220	19,220	-
Cash and bank balances	Loans and receivables	Amortized Cost	1,734,448	1,731,824	2,624

The difference has arisen due to implementation of expected credit loss model over the financial assets. The reclassification change upon implementation of IFRS 9 did not result in any adjustment to amount recognised in the statement of financial position.

The impact of transition to IFRS 9 on retained earnings and revaluation reserve as on January 01, 2019 is as follows:

Retained Earnings	**(Rupees in '000)**
Balances as at December 31, 2018	(437,696,479)
Impact of Adoption of IFRS 9 over	
- Increase in provision of trade debts	(1,100,047)
- Increase in provision of trade deposits	(1,538)
- Increase in provision of long-term deposits	(39,482)
- Increase in provision of cash and bank balances	(2,624)
- Increase in deferred tax assets	331,671
- Adjustment of deferred tax against unutilized losses	(331,671)
Opening Balance as at January 01, 2019	(438,840,170)

The adoption of IFRS 9 resulted in increase in 'Other provisions and adjustments - net' and loss before tax of Rs 76.012 million. The change in accounting Policy also resulted in increase in loss after tax by Rs. 76.012 million and decease in EPS by Rs. 0.01521.

The Holding Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at January 1, 2019 (on adoption of IFRS 9) and as at March 31, 2019 was determined as follows for trade debts:

The Holding Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at January 1, 2019 (on adoption of IFRS 9) amounted to Rs. 3.991 billion and loss allowance as at March 31, 2019 amounted to Rs. 4.035 billion.

3.1.2 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - 'Revenue from Contracts with Customers', supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue when the control of goods or services have been transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contract liabilities are included within trade and other payables on the face of the statement of financial position. They arise from the customers, which enter into contract that can take few years to complete, because cumulative payments received from customers at date of each statement of financial position do not necessarily equal the amount of revenue recognised on the contracts.

The Holding Company elected the modified retrospective method and applied the standard retrospectively to only the most current period presented in the unconsolidated condensed interim financial information. Accordingly, the information presented for the corresponding period has not been restated. There were no material differences between revenue recognition under IFRS 15 and revenue recognition under IAS 11 or IAS 18 and accordingly, the adoption of standard did not have any material impact on this unconsolidated condensed interim financial information.

3.1.3 IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions.

The Holding Company has adopted IFRS 16 from January 1, 2019, and has adopted modified retrospective approach and not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening statement of financial position and retained earning on January 01, 2019.

On adoption of IFRS 16, the Holding Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Holding Company's incremental borrowing rate as of January 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 ranges between 3.41% - 9.88% for foreign currency based liabilities and between 12.14% - 15.17% for PKR based liabilities.

Lease liability and Right-of-use asset

The Holding Company mainly leases aircrafts, engines, local and international sales offices, and counters at various airports. At inception of a contract, the Holding Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Holding Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are in Holding Company's determination of lease term only when the Holding Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Holding Company estimate of the amount expected to be payable under a residual value guarantee, or if the Holding Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured at the commencement date of lease based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Holding Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

The impact of transition to IFRS16 on Consolidated condensed interim financial information as on January 01, 2019 is as follows:

	March 31, 2019	January 01, 2019
	----------- Rupees in '000	-----------
Total lease liability recognised	**32,557,878**	34,711,844

'The right-of use assets were measured on retrospective basis from the commencement of the respective lease arrangements.

The recognised right-of-use assets relate to the following types of assets:

Property	**1,483,496**	1,576,804
Aircraft Fleet	**31,462,354**	33,486,418
Engines	**377,765**	397,358
Total right-of-use assets	**33,323,615**	35,460,580

The change in accounting policy affected the following items in the statement of financial position:

Impact on the statement of financial position		
- Increase in property, plant and equipment	**20,429,121**	22,330,182
Increase in total assets	**20,429,121**	22,330,182
- Increase in lease liability against right-of-use asset	**31,908,615**	33,924,723
- Increase in deferred tax asset	**(15,177,943)**	(16,313,922)
- Adjustment of deferred tax against unutilized losses	**15,177,943**	16,313,922
Increase in total liabilities	**31,908,615**	33,924,723
Decrease in net assets	**(11,479,494)**	(11,594,541)

	March 31, 2019 Rupees in'000
Impact on statement of profit or loss	
- Increase in financial charges - interest expense on lease liability against right-of-use assets	**498,665**
- Increase in exchange loss	**433,765**
- Increase in administrative expenses - depreciation on right-of-use assets	**1,906,575**
- Decrease in administrative expenses - office rent	**(2,954,052)**
- Decrease in profit before taxation	**(115,047)**
- Tax charge @ 29%	-
- Decrease in profit after taxation	**(115,047)**

Earnings per share for the year ended June 30, 2019 have decreased by Rs. 0.6288 due to adoption of IFRS 16.

Practical Expedients applied

In applying IFRS 16 for the first time, the Holding Company has used the following practical expedients permitted by the standard:

- grandfathered the assessment of which transactions are lease on the date of initial application;
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 01, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3.2 Significant accounting estimates and judgments

Estimates and judgments made by the management in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2018 except as follows:

As part of the adoption of IFRS, the Holding Company has made a number of estimates and judgments. These include;

As disclosed in note 3.1.3, the Holding Company has used modified retrospective transition approach and has measured right of use assets and lease liabilities accordingly.

The Holding Company has identified certain obligations associated with the maintenance condition of its aircraft on redelivery to the lessor, such as the requirement to complete a final airframe check, repaint the aircraft and reconfigure the cabin. These have been recognised as part of the ROU asset on transition. Judgment has been used to identify the appropriate obligations and estimation has been used (based on observable data) to measure them. Other maintenance obligations associated with these assets, comprising obligations that arise as the aircraft is utilised, such as engine overhauls and periodic airframe checks, will continue to be recognised as a maintenance expense over the lease term.

For certain aircrafts, the Holding Company has an option to purchase the aircrafts as at the end of the lease term. The management believes that it is not reasonably certain to exercise the purchase option at the end of lease term, and accordingly corresponding impacts have not been taken in the determination of Right of Use Assets and lease liabilities.

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		---------- Rupees in '000 ---------	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**225,326,540**	200,707,351
Capital work-in-progress		**4,666,547**	4,321,171
		229,993,087	205,028,522

4.1 Include herein are the following additions / transfer and deletion during current period for Holding Company.

	Three months period ended	
	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	---------- Rupees in '000 ---------	
Owned		
Building	**32,210**	-
Aircraft fleet	**386,519**	-
Engineering equipment and tools	**113,090**	5,846
Furniture, fixtures and fittings	**10,566**	1,942
Vehicle owned	**3,825**	-
Office equipment	**4,990**	8,236
Computer and office automation	**219,048**	17,734
Capital Spares	**142,445**	53,487
	912,693	87,245
Right of use asset	**258,444**	-
CWIP	**(142,713)**	119,680
	1,028,424	206,925
Deletions / Write offs net book value / Adjustments		
Owned		
Aircraft fleet	**87,577**	-
Capital Spares	**14,709**	-
	102,286	-

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		----------- Rupees in '000 ----------	
5 OTHER RECEIVABLES			
Considered good			
Claims receivable		**13,719**	13,719
Excise duty		**100,000**	100,000
Sales tax receivable	5.1	**5,064,743**	4,947,540
Rental income		**245,034**	242,640
		5,423,496	5,303,899
- other than related parties			
Lessor	5.2	**1,187,421**	1,512,013
Others		**2,680,906**	1,666,524
		9,291,823	8,482,436
Considered doubtful		**334,807**	334,807
Less: provision for doubtful other receivables		**(334,807)**	(334,807)
		-	-
		9,291,823	8,482,436

5.1 This includes sales tax refundable aggregating Rs. 4,745.637 million (December 31, 2018: Rs. 4,745.637 million) representing unadjusted portion of input tax under Sales Tax Act, 1990 (the Act). The Holding Company had filed application for refunds of input sales tax up to December 31, 2011. In response, ACIR, Large Taxpayers Unit (LTU) concluded that as the Holding Company is engaged in both domestic and international air travel, therefore, input tax paid is adjustable only against the domestic air travel services as no input tax adjustment is allowed against the international air travel services.

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

5.2 This represents receivable from lessor in respect of overhauling incurred by the Holding Company on leased aircrafts.

	Note	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
		---------- Rupees in '000 ----------	
6 CASH AND BANK BALANCES			
In hand		**21,099**	32,032
In transit		**15,713**	11,328
		36,812	43,360
With banks:			
- in current accounts	**6.1**	**3,183,201**	1,540,598
- in savings accounts	**6.2 & 6.3**	**4,177,018**	4,981,014
		7,360,219	6,521,612
		7,397,031	6,564,972

6.1 These had been adjusted by an aggregate amount of Rs. 7,399.051 million (2018: Rs. 3,290.876 million), representing book overdrafts.

6.2 These carry interest ranging from 0.1% to 7.5% (2018: 0.1% to 7.5%) per annum.

6.3 These include bank balance of BDT 671.756 million (Rs. 1,140.440 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.

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	---------- Rupees in '000 ----------	
7 LONG-TERM FINANCING		
Opening	**214,992,167**	197,736,602
Financing obtained during the period	**17,964,427**	14,682,938
Repayment during the period	**(8,967,417)**	(9,699,943)
Exchange loss	**616,630**	12,272,570
	224,605,807	214,992,167
Current maturity	**(54,115,427)**	(50,430,292)
	170,490,380	164,561,875

8 LEASE LIABILITIES

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	------------ (Rupees in '000) ------------	
Present value of minimum lease payments		
- Aircraft fleet	**28,638,256**	2,099,119
- Properties	**1,558,433**	-
- Engines	**2,120,409**	-
	32,317,098	2,099,119
Technical ground equipments	**240,780**	262,399
	32,557,878	2,361,518
Less: Current maturity of lease liabilities	**(12,206,732)**	(2,188,747)
	20,351,146	172,771

9 TRADE AND OTHER PAYABLES

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	------------- Rupees in '000 -------------	
Trade creditors		
Goods	**19,914,798**	19,167,119
Services	**13,085,215**	11,895,065
Airport related charges	**33,364,489**	32,329,376
	66,364,502	63,391,560
Other Liabilities		
Accrued liabilities	**8,566,544**	7,429,805
Advance against transportation (unearned revenue)	**16,765,854**	13,150,950
Obligation for compensated absences- Holding Company	**7,714,596**	7,367,021
Unredeemed frequent flyer liabilities	**649,360**	649,360
Advance from customers	**1,247,731**	1,605,618
Earnest money	**-**	838
Payable to Holding Company employees' provident fund	**11,192,590**	11,514,485
Federal excise duty - International travel	**9,928,222**	9,959,757
Short-term deposits	**616,886**	618,856
Collection on behalf of others	**48,862,504**	46,035,290
Customs and federal excise duty	**1,924,966**	2,580,447
Income tax deducted at source	**1,360,673**	2,080,860
Others	**30,890**	1,343,708
	175,225,316	167,728,555

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	------------ (Rupees in '000) ------------	

10 SHORT-TERM BORROWINGS

Short-term loans - secured	**31,543,530**	31,527,089
Running finance under mark-up arrangements	**3,257,907**	2,920,269
	34,801,437	34,447,358

10.1 During the period, no fresh borrowing was availed by the Company, however certain agreements were matured and renewed on their respective maturity date

	March 31, 2019 (Un-Audited)	December 31, 2018 (Audited)
	------------Rupees in '000------------	

11 CURRENT MATURITY OF NON-CURRENT LIABILITIES

Long-term financing	**54,115,427**	50,430,292
Term finance and sukuk certificates	**18,183,408**	19,017,352
Liabilities against assets subject to finance lease	**12,206,732**	2,188,748
	84,505,567	71,636,392

12 CONTINGENCIES AND COMMITMENTS

There has been no material change in the status of contingencies as disclosed in notes 31.1 to the consolidated financial statements for the year ended December 31, 2018.

	Three months period ended	
	March 31, 2019	March 31, 2018
	..............(Un-Audited)..............	
	----------------Rupees'000--------------	

13 REVENUE - Net

Passenger	**28,396,373**	22,751,834
Cargo	**1,138,511**	1,375,670
Excess baggage	**92,135**	136,224
Charter	**26,433**	17,415
Engineering services	**176,680**	191,092
Handling and related services	**107,618**	130,238
Mail	**33,989**	31,279
Room, food and beverages sales	**2,048,454**	2,288,416
Others	**1,408,284**	1,257,742
	33,428,477	28,179,910

14 COST OF SERVICES - Others

Salaries, wages and allowances	**5,064,212**	4,743,272
Welfare and social security costs	**421,265**	639,956
Retirement benefits	**863,836**	796,877
Compensated Absences	**250,368**	191,377
Legal and professional charges	**11,196**	14,899
Stores and spares consumed	**134,541**	407,926
Repair, Maintenance and overhaul	**4,244,894**	2,744,961
Flight equipment rental	**637,299**	2,877,136
Landing and handling	**4,685,508**	4,127,021
Passenger services	**926,425**	804,011
Crew layover	**919,625**	788,162
Staff training	**5,404**	24,893
Food cost	**129,410**	118,419
Utilities	**7,744**	21,139
Communication	**654,486**	1,035,803
Insurance	**484,446**	282,821
Rent, rates and taxes	**119,251**	127,194
Printing and stationery	**52,541**	45,635
Depreciation	**3,421,770**	1,122,804
Amortization	**1,779**	2,054
Others	**359,232**	395,450
	23,395,232	21,311,810

	Three months period ended	
	March 31, 2019	March 31, 2018
	..............(Un-Audited)..............	
	----------------Rupees'000--------------	
15 FINANCE COSTS		
Mark-up on:		
- long term financing	**4,845,622**	2,806,582
- short term borrowings	**1,005,435**	595,699
- Loan against GoP mark-up	**184,615**	-
	6,035,672	3,402,281
Return on term finance certificates	**340,443**	342,549
Profit on sukuk certificates	**192,486**	132,796
Lease Liabilities	**17,087**	43,911
Interest on pension / provident fund	**492,314**	168,218
Arrangement, agency and commitment fee	**83,734**	212,122
Amortisation of prepaid exposure fee	**16,407**	-
Bank charges, guarantee commission and other related charges	**41,424**	39,674
	7,219,567	4,341,551

15.1 During the three months period ended March 31, 2019, finance cost increased by 70% as compared to the corresponding period last year. Major reason for this increase is the significant hike in Monetary Policy Rate which increased from 6.5% to 12.5% during the period under review, which lead to an increase in finance cost by significant amount.

16 TAXATION		
Current - for the period	**154,236**	164,709

16.1 There has been no material change in the status of tax contingencies as disclosed in notes 39.2 to the Consolidated financial statements for the year ended December 31, 2018.

	Three months period ended	
	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	----------Rupees in '000 -----------	
17 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
Loss before taxation	**(12,350,420)**	(13,803,172)
Adjustments for non cash items:		
Depreciation	**3,645,710**	1,242,222
Gain on disposal of property, plant and equipment	**(36)**	-
Amortization	**1,795**	20,651
Provision for slow moving stores and spares	**79,337**	2,173
Provision for employees' benefits	**1,821,823**	1,610,425
Provision for expected credit loss	**38,006**	-
Finance costs	**7,219,567**	4,341,551
Unrealised Exchange Loss	**724,130**	2,250,647
Share of loss / (profit) from associates	**417**	275
Profit on bank deposits	**(36,976)**	(1,149)
Cash generated from operations before working capital changes	**1,143,354**	(4,336,377)
Working capital changes:		
(Increase) in stores and spare parts	**(107,656)**	(178,421)
(Increase) in trade debts	**(1,214,985)**	(4,151,498)
(Increase) / Decrease in advances	**(3,474,842)**	352,514
Decrease in trade deposits and prepayments	**1,892,810**	2,916,443
(Increase) in other receivables	**(286,711)**	(582,432)
Increase in trade and other payables	**7,908,343**	7,432,658
	4,716,959	5,789,264
Cash generated from operations after working capital changes	**5,860,313**	1,452,887

18 TRANSACTIONS WITH RELATED PARTIES

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

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	92%	Major Shareholder
PIA Investments Limited (PIAIL)	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary
Sabre Travel Networks (Private) Limited (Private) Limited	70%	Major Shareholder
Post Retirement Benefits	-	Post Retirement Benefits
PIA Main Pension Fund	-	Post Retirement Benefits
PIA PALPA Fund	-	Post Retirement Benefits
PIA FENA Fund	-	Profit oriented state-controlled entities
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	-	Key management personnel
Federal Board of Revenue	-	Key management personnel
Amir Ali	-	Key management personnel
Younus M Khan	-	Key management personnel
Amanullah Qureshi	-	Key management personnel
Maj Khuram Mushtaq	-	Key management personnel
Nayyar Hayat	-	Key management personnel
Omer Razzaq	-	Key management personnel
Aijaz Mazhar	-	Key management personnel
AVM Soban Nazir Syed	-	Key management personnel
AVM Noor Abbas	-	Key management personnel
Mr. Muhammad Shuaib	-	Key management personnel
Kashif Rehman Rana	-	Key management personnel
Air Marshal Arshad Malik	-	Key management personnel
Air Cdre Khalid Ur Rehman	-	Key management personnel
Air Cdre Jibran Saleem Butt	-	Key management personnel
Air Cdre Jawad Zafar Chaudhry	-	Key management personnel
Air Cdre Shahid Qadir	-	Key management personnel
Mr. Khalilullah Shaikh	-	Key management personnel
Air Cdre Aamer Altaf	-	Key management personnel

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

Name of Related Parties and relationship with the Holding	Nature of transactions	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
		----------Rupees in '000 ----------	
Retirement funds			
	Contribution to provident Fund and other	**587,150**	752,871
	Interest on Loan from pension / provident fund	**492,314**	168,218
Profit oriented state-controlled entities - common ownership			
	Purchase of Fuel	**6,041,228**	3,605,439
	Insurance premium	**500,162**	274,914
	Late payment interest	**398,000**	149,045
	Airport Related charges	**1,308,265**	979,442
	Finance cost	**1,412,250**	1,011,950
GoP - Major shareholder	Finance cost	**381,875**	197,260
Key management personnel	Salaries, wages and other benefits	**25,100**	38,063

18.1 The Company's sales of transportation services to subsidiaries, associates, directors and key management personnel are not determinable.

19 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

19.1 Financial risk factors

This Consolidated condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Holding Company annual financial statements for the year ended December 31, 2018. There have been no changes in any risk management policies since the year end.

19.2 Fair value estimation

As at March 31, 2019, the Holding Company's all assets and liabilities are carried at cost except for those mentioned below:

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

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

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

20 DATE OF AUTHORISATION FOR ISSUE BY THE BOARD OF DIRECTORS

These Consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Holding Company in their meeting held on 30 December, 2020.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

Chief Financial Officer

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