PAKISTAN
International Airlines
Great People to Fly With



ANNUAL REPORT 2024

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OUR VISION

PIA's vision is to be a world class profitable airline meeting customer expectation through excellent services, on-time performance, innovative products and absolute safety.

OUR MISSION

Employee teams will contribute towards making PIA a global airline of choice through:

- **Offering quality customer services and innovative products**
- **Using state-of-the-art technologies**
- **Ensuring cost-effective measures in procurement and operations**
- **Developing Safety Culture**

OUR CORE VALUES

CUSTOMER EXPECTATIONS
(Convenience, Care, Affordability)

SERVICE
(Personalized, Courteous, Passionate)

INNOVATION
(New Ideas, Products, Value Added Services)

COHESIVENESS
(Respect for Individuals, Teamwork and Effective Communication)

INTEGRITY
(Business Ethics, Accountability and Transparency)

RELIABILITY
(Loyalty and Consistency)

SAFETY
(Passengers, Employees, Environment)

SOCIAL RESPONSIBILITY
(Welfare, Health, Education)

NOTICE OF NINTH ANNUAL **GENERAL MEETING**

In compliance with Section 132 (3) of companies Act, 2017, Notice is hereby given that the 9th Annual General Meeting of the members of Pakistan International Airlines Corporation Limited (PIACL) will be held at 1100 hrs, on Monday, May 12, 2025, in the Board Room, PIA Head Office, Karachi, to transact the following business:

a) To receive and adopt the Audited Accounts for the year ended December 31, 2024, together with Auditors' and Directors' Reports.
b) To appoint External Auditors for FY 2025 and fix their remuneration.
c) To transact any other business with the permission of the Chair.

By the order of the Board

Rao Muhammad Imran
Company Secretary

Karachi
April 18, 2025

نوٹس برائے نواں سالانہ اجلاس عام

کمپنیز ایکٹ 2017 کی دفعہ 132(3) کی تعمیل کے تحت نوٹس کے ذریعے مطلع کیا جاتا ہے کہ پاکستان انٹرنیشنل ایئر لائنز کارپوریشن لمیٹڈ کے نویں سالانہ اجلاس عام کا انعقاد مورخہ 12 مئی 2025 بروز پیر کو صبح 11:00 بجے بورڈ روم، پی آئی اے ہیڈ آفس کراچی میں کیا جائے گا جسمیں درج ذیل امور انجام پائیں گے۔

(الف) 31 دسمبر، 2024 کو اختتام پذیر ہونے والے گذشتہ برس کے آڈٹ شدہ اکاؤنٹس کی آڈیٹرز اور ڈائریکٹرز رپورٹس کے ہمراہ وصولی اور منظوری۔

(ب) مالی سال 26-2025 کے لئے بیرونی آڈیٹرز کی تقرر اور انکے مشاہرے کا تعین۔

(پ) چیئرمین کی اجازت سے دیگر کسی کاروباری معاملے کی انجام دہی۔

بحکم بورڈ

راو محمد عمران
کمپنی سیکرٹیری

کراچی
18 اپریل 2025

CORPORATE **PROFILE**

As on April 08, 2025

BOARD OF DIRECTORS

Mr Aslam R. Khan
Chairman

Dr Aqdas Afzal

Sahibzada Rafat Raoof Ali

Mr Imdad Ullah Bosal
Federal Secretary, Finance Division

Mr Haaris M Chaudhary

AVM Muhammad Amir Hayat
Chief Executive Officer

Mr Jawad Paul Khawaja
Federal Secretary, Privatization Division

Ms Tahira Raza

REGULATORY APPOINTEES

AVM Muhammad Amir Hayat
Chief Executive Officer

Mr Amos Nadeem
Chief Financial Officer

Rao Muhammad Imran
Company Secretary

Ms Sadia Muzafar
Acting Chief Internal Auditor

EXECUTIVE MANAGEMENT

AVM Muhammad Amir Hayat
Chief Executive Officer

Mr Khurram Mushtaq
Chief Operating Officer

Mr Amanullah Qureshi
Chief Training & Development

Mr Athar Hussain
Chief Human Resource Officer

Mr Nausherwan Adil
Chief Commercial Officer

Captain Syed Asif Gilani
Chief of Flight Operations

Syed Muhammad Saqlain Gardezi
Chief Information Officer

Captain Khalid Muhammad
Chief Corporate Safety

Mr Asim Shiekh
Acting Chief Corporate Development Officer

Khawaja Noor Ul Qadir
Acting Chief Technical Officer

Mr Afzal Noor
Acting Chief Supply Chain Management

Mr Salahuddin Azhar
Officiating Chief Engineer Quality Assurance

OTHER CORPORATE INFORMATION

EXTERNAL AUDITORS

Messrs Grant Thornton & Co
Chartered Accountants

Messrs BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISOR

Mr Haroon Rashid Abbasi

BANKERS

Askari Bank Limited
Bank Islami
The Bank of Punjab
Citi Bank N.A
Emirates NBD
Faysal Bank Limited
Habib Bank Limited
JS Bank
MCB Bank Pakistan
National Bank of Pakistan
Standard Chartered Bank Limited
United Bank Limited

SECP REGISTRATION: CORPORATE UNIVERSAL IDENTIFICATION NO

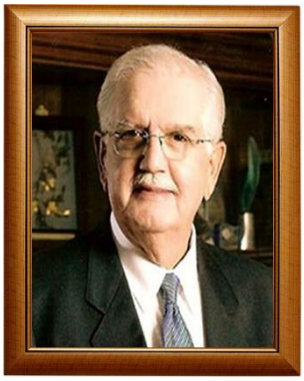
0096537

REGISTERED OFFICE

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

BOARD OF **DIRECTORS**

As on April 08, 2025



MR ASLAM R KHAN
Chairman



DR AQDAS AFZAL
Director



SAHIBZADA RAFAT RAOOF ALI
Director



MR IMDAD ULLAH BOSAL
Federal Secretary, Finance Division & Director



MR HAARIS M CHAUDHRY
Director



AIR VICE MARSHAL MUHAMMAD AMIR HAYAT
Chief Executive Officer & Director

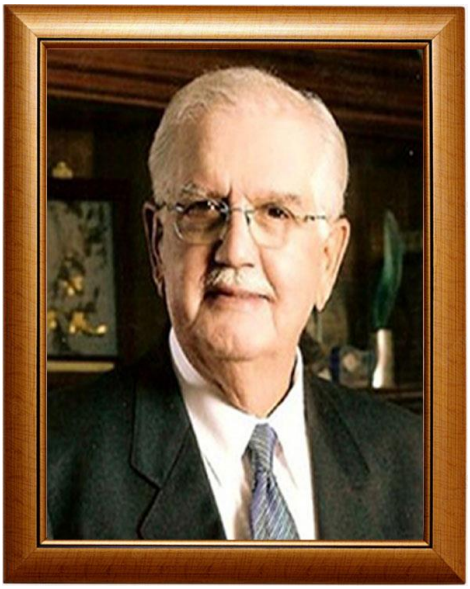


MR JAWAD PAUL KHAWAJA
Federal Secretary, Privatisation Division & Director



MS TAHIRA RAZA
Director

PROFILE OF BOARD OF **DIRECTORS**



MR ASLAM R KHAN

Chairman

Mr. Aslam R Khan is a nominated Director and Chairman PIACL Board since March 22, 2024. He is a corporate aviation veteran with over three decades of multi-faceted airline experience. He started his career with Lufthansa and then moved to PIACL. In the National Carrier, he held senior positions both in Pakistan and abroad. He held the important positions of Managing Director of PIA and Chairman PIACL Board as well. He also remained the Managing Director of PIA Investments Limited for fourteen years, with the achievement of 700 Million Dollars successful turnaround of the Roosevelt Hotel in New York City, transforming it into a highly profitable asset. A keen sportsman and an avid Golfer, he was the President of the Sindh Golf Association and Vice President of the Pakistan Golf Federation. Mr. Aslam R Khan is also the recipient of the Italian Civil award "CAVALIERE".

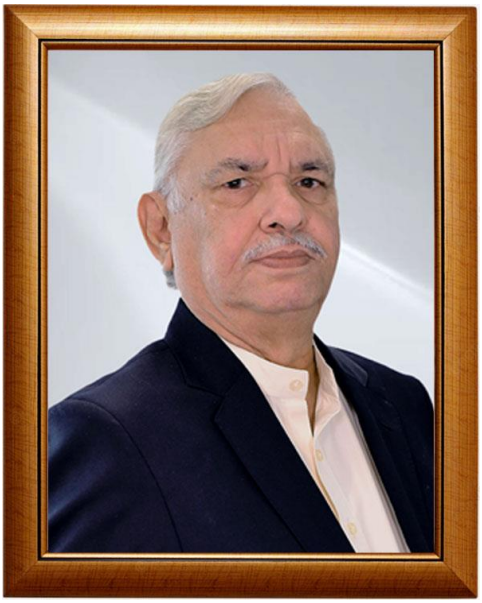
DR AQDAS AFZAL



Dr. Aqdas Afzal is a nominated Director on PIACL Board since March 22, 2024. He attended the Ohio State University, where he earned his Bachelor's In Political Science and Economics. In 2006, he completed his Master's in Political Science from the Ohio State University and returned to his native Country Pakistan. From 2006 through 2012, Dr. Aqdas Afzal worked in the development sector in both Lahore and Islamabad, including at the Asian Development Bank (ADB). Additionally, he taught as an adjunct faculty member at the Lahore University of Management Sciences (LUMS) and at the Government College (GC) University, Lahore. In 2011, Dr. Aqdas Afzal won the prestigious "Fulbright Scholarship" to pursue a doctorate in economics in the US. In 2013, he interned at the United Nations in New York City.

In 2015, he won the Association of Institutional Thought's (AFIT) prestigious "Student Scholars Prize" in economics. In 2016, Dr. Aqdas Afzal was the "Three-Minute Thesis" champion at his university. In the same year, he won the Journal of Interdisciplinary Research's (JIDR) best paper prize, while also bagging the "Graduate Studies Dissertation Research Award". After finishing his Doctorate in Economics from the US Dr. Aqdas Afzal has taught at Helzberg School of Management at the Rockhurst University. Dr. Aqdas Afzal also taught at the National University of Sciences and Technology (NUST) in Islamabad and at the Habib University in Karachi, where he was an Associate Professor and the Director of the Social Sciences program. Presently, Dr. Aqdas Afzal provides economic advice to ministry of finance in the GCC region, where he applies strategic thinking to macroeconomic and fiscal policy. Dr. Aqdas Afzal contributes regularly to DAWN and Arab News Pakistan, while his economic insights are featured regularly on the BBC, the New York Times, Al Jazeera English and Nikkei-Asia. Dr.

Aqdas Afzal has also been invited to speak at the National Institute of Public Management Karachi (Senior Management Course), Foreign Service Academy, Islamabad as well as at the prestigious "Margalla Dialogue" conducted by the Islamabad Policy and Research Institute (IPRI) in Islamabad. Dr. Afzal's analysis and publications explore critical economic issues, providing nuanced perspectives on regional and global challenges. Dr. Aqdas Afzal is the Chairman of PIACL Board HR & Nomination Committee.



SAHIBZADA RAFAT RAOOF ALI

Sahibzada Rafat Raoof Ali is a nominated Director on PIACL Board since March 22, 2024. He has more than 30-years of financial sector experience in international and local Banks including Corporate & Industrial Restructuring Corporation (CIRC), alongwith the exposure of working in International Market, covering the areas from business generation to remedial management. He also served as Director Financial Crimes Investigation Wing (Sindh & Punjab) in National Accountability Bureau.He is a Member of PIACL Board Audit Committee.

MR IMDAD ULLAH BOSAL

Federal Secretary, Finance Division



Mr Imdad Ullah Bosal,Secretary Finance Division is a nominated Director on PIACL Board since March 22, 2024. He is a career civil servant with over 28 years of experience in key administrative and policy making positions in the Government of Pakistan. Before joining as Finance Secretary on 19th May, 2023, Mr. Imdad Ullah Bosal has held important positions of Secretary, Industries & Production and Chief Secretary Khyber Pakhtunkhwa (KPK). He has also worked as Additional Secretary (Expenditure) and Additional Secretary (Banking/Investment/Inter-governmental Finance) in Ministry of Finance in the years 2020-2022. Mr. Imdad Ullah Bosal has also served as Secretary to the Chief Minister Punjab, Special Secretary Finance (Punjab) and as Commissioner of two important regions of Punjab i.e. Rawalpindi and Lahore. He has done Master's of Public Policy from Blavatnik School of University of Oxford and MSc. in Political Economy of Development (Distinction) from School of Oriental and African Studies (SOAS), University of London. He has been awarded national award of Sitara-e-Imtiaz for recognition of his contribution in public service by the Government of Pakistan. He is a Member of PIACL Board Audit Committee.



MR HAARIS M CHAUDHRY

Mr Haaris M Chaudhry is a nominated Director on PIACL Board since March 22,2024. He is a seasoned professional, having over 20 years of experience in Banking & Finance, Corporate & Regulatory Affairs, Strategy, Multi-Channel Product Distribution, Risk Management and Public Policy with notable organizations such as Standard Chartered Bank, Barclays Bank, ABN ABRO Bank Citibank. He also served as a Director at Zarai Taraqiati Bank Limited. His experience extends to managing financial institutions through Economic Cycles, emphasizing Credit Strategy Development, Strategy, Portfolio Management, Regional Governance, Remedial Planning, and Receivable Management.

Prior to joining Mobilink Bank, Haaris served as CEO of USF (Universal Service Fund, Ministry of IT &Telecom), delivering a significant impact to 40 million beneficiaries nationwide through an investment of over PKR 70 billion. He is passionate about egalitarian business operations with a specific focus on Women Empowerment, Diversity, Equity, and Inclusion. Mr Haaris holds an MBA from New York Institute of Technology. He is Chairman of PIACL Board Procurement Committee and a Member of Board HR & Nomination Committee.

AIR VICE MARSHAL MUHAMMAD AMIR HAYAT

Chief Executive Officer (CEO)



AVM Muhammad Amir Hayat is serving as the Acting Chief Executive Officer of Pakistan International Airlines Corporation Limited (PIACL) since January 1, 2025. He previously held the position of Chief Executive Officer of PIACL from April 2022 to December 2024. He was commissioned in the Engineering Branch of Pakistan Air Force in 1990. He graduated as an Aerospace Engineer from PAF Academy, Risalpur. He holds a Master's degree in Business Administration and also holds Master's degree in National Security and War Studies from the prestigious National Defense University. During his illustrious career spanning over 03 decades, he has served in PAF at various levels of aviation engineering and management. His diplomatic experience includes appointment as Technical Attache to Beijing, China. He has also commanded an Engine MRO and held the portfolio of Managing Director, Aircraft Rebuild Factory, Pakistan Aeronautical Complex. Following his notable contributions to PAF, he was subsequently deputed to PIACL. His rich and vast experience has gained him a deep insight of the military as well as commercial aviation industry. In recognition of his outstanding services, he was awarded the coveted Sitara-i-Imtiaz (Military). He is member of Board HR & Nomination Committee, as well as member of Board Procurement Committee.



MR JAWAD PAUL KHAWAJA

Federal Secretary, Privatisation Division

Mr Jawad Paul Khawaja is a nominated Director on PIACL Board since March 22, 2024. Mr Jawad Paul Khawaja is a career civil servant with twenty eight years' experience in public service delivery, administration and management. Posted as Federal Secretary, Privatisation Division, he is responsible for assisting the Federal Government in devising its privatisation programme and framing privatisation policy besides its implementation.

He holds degrees of LLM (University of Warwick), MBA (Lahore University of Management Sciences) and BSc (Electrical Engineering) from University of Engineering and Technology, Lahore. He is also a Chevening (2009) and Eisenhower (2017) fellow. His key assignments include Registrar, Supreme Court of Pakistan, and Secretary Council of Common Interests, Additional Secretary Prime Minister's Office, Chief Commissioner Islamabad Capital Territory, Joint Secretary Prime Minister's Office, Joint Secretary Establishment Division, Director Pakistan Telecommunication Authority and Assistant Commissioner in various districts in Islamabad Capital Territory, Punjab and Balochistan. His key achievements in public service include acquisition and development of two sectors in Islamabad, initiation of computerization of land record in Islamabad, implementation of Mobile Number Portability, framing and approval of policy for renewal of cellular licenses in 2019, International Mobile Equipment Identity facility and licensing of Telecom licenses in AJ&K/Northern areas and formulation of Promotion Rules for senior Civil Servants. He is Member of PIACL Board Procurement Committee.

MS TAHIRA RAZA



Ms. Tahira Raza is a nominated Director on PIACL Board since March 22, 2024. She holds an MBA degree in Banking and Finance from Institute of Business Administration (IBA) Karachi and DAI BP from Institute of Bankers in Pakistan with distinction in Practice and Law of Banking and held 7th position in order of merit in Pakistan.

She carries with her a rich banking experience. She had the honor of serving as CEO and President of First Women Bank Ltd from April 2014 till Oct 2018. She also had the honor of breaking the glass ceiling to become the First Women Senior Executive Vice President (SEVP) in the 72 years history of NBP. During her tenure, she prepared the bank for privatization, improved bank rating from BBB+ to A-, NPLs substantially reduced due to improved recoveries of defaulted loans and improving the quality of fresh loans booked. The NPLs to Loan ratio was brought down from staggering 22% to 16%. Bank also witnessed huge reduction in administrative costs that were rising at an average of 18% PA since 2009 till 2013 to 2.9% PA over a span of 4.5 years (from April 2014 till Oct 2018). Regulatory observations and penalties were reduced substantially by almost 90%. Bank also recovered money lost in frauds and mismanagement. These initiatives saved the bank over Rs.900 Million. She is a strong advocate of diversity and inclusion and practitioner of corporate governance. She believes in strengthening the systems and creating an enabling environment to afford

equal opportunity to all employees enabling them to rise in their careers, especially for women and colleagues with special needs. Prior to her appointment as CEO of FWBL, Ms. Raza was an SEVP and Group Head Risk Management In NBP. She firmly believes that women have great power and potential; they don't need concessions, they only need opportunity.

She is a strong promoter of diversity and believes that only an inclusive society can grow and prosper sustainably and women being the largest segment left out must be brought to the forefront ASAP to keep pace with the rest of the world in development. She is extremely passionate about whatever she does and pursues her goals with a missionary zeal to create an impact. Her persistence, perseverance, commitment and hard work that spans over 42 years, amply reflects in her personality. She has earned many accolades both national and International and presented numerous papers on Credit Risk, Risk Management, Banking and Finance and a host of related subjects. Apart from her professional achievements she is a keen golfer. She is Chairperson of PIACL Board Audit Committee.



REGULATORY **APPOINTMENTS**

AIR VICE MARSHAL MUHAMMAD AMIR HAYAT

Chief Executive Officer (CEO)



Air Vice Marshal Muhammad Amir Hayat was commissioned in the Engineering Branch of Pakistan Air Force in 1990. Graduated as an Aerospace Engineer from PAF Academy, Risalpur, he holds a Master's degree in Business Administration and also holds Master's degree in National Security and War Studies from the prestigious National Defence University. During his illustrious career spanning over 03 decades, he has served in PAF at various levels of aviation engineering and management. His diplomatic experience includes appointment as Technical Attache to Beijing, China. Fie has also commanded an Engine MRO and held the portfolio of Managing Director, Aircraft Rebuild Factory, Pakistan Aeronautical Complex. Following his notable contributions to PAF, he was subsequently deputed to PIACL. His rich and vast experience has gained him a deep insight of the military as well as the commercial aviation industry. In recognition of his outstanding services, he was also awarded the coveted Sitara-i-lmtiaz (Military).



MR AMOS NADEEM

Chief Financial Officer

Mr Amos Nadeem is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and carries a diversified experience of twenty-eight years. His work experience includes transformational projects at ICI Pakistan, PARCO and Pakistan Telecommunications Company Limited. He has also worked with Marie Stopes International (a London based NGO) in the international team as Director Finance for West Asia region. He possesses a strong and varied experience in both strategic and operational roles in leading teams through change, building relationships with internal and external stakeholders and leading innovation at work place for value addition. He is ex-officio director of PIA subsidiary vis Skyrooms (Pvt) Ltd. He is also ex-officio Trustee of Al-Shifa Trust.

REGULATORY **APPOINTMENTS**

RAO MUHAMMAD IMRAN

Company Secretary



Rao Muhammad Imran is Company Secretary of PIACL since January, 2023. He holds a Master's degree in Business Administration, with 20 years of diversified corporate experience in Marketing, Human Resource Management, Operations, Corporate Affairs and Compliances. He is a Certified Director from Pakistan Institute of Corporate Governance.

Mr Imran also serves as Secretary of Board Audit Committee, Board Procurement Committee as well as the Board's HR & Nomination Committee. Besides, he is also serving as Secretary and Executive Trustee of Board of Trustees of PIA's flagship CSR project namely Al-Shifa Trust. He also serves as Vice President of the PIA Cricket Academy.



MS SADIA MUZAFAR

Acting Chief Internal Auditor

Ms Sadia Muzafar has been serving as the Acting Chief Internal Auditor of Pakistan International Airlines Corporation Limited since May 2024. With over 17 years of expertise in Internal Audit, Internal Controls, and Finance, she has played a pivotal role in strengthening the company's governance and control frameworks. A Fellow Chartered Cost and Management Accountant (FCMA) and an MBA, her 14 years of post-qualification experience across various internal audit and financial management domains have honed her ability to address both strategic and operational challenges. Throughout her career, Ms Muzafar has led audit engagements, identified areas for improvement, mitigated risks, and conducted reviews to boost organizational efficiency.

BOARD **COMMITTEES**

April 08, 2025

Board Audit Committee (BAC)

Ms. Tahira Raza	Chairperson
Sahibzada Rafat Raoof Ali	Member
Mr Imdad Ullah Bosal	Member

Board HR & Nomination Committee (BHR&NC)

Dr Aqdas Afzal	Chairman
Mr Haaris M Chaudhary	Member
Ms. Tahira Raza	Member
AVM Muhammad Amir Hayat	Member

Board Procurement Committee (BPC)

Mr Haaris M Chaudhary	Chairman
Mr Jawad Paul Khawaja	Member
AVM Muhammad Amir Hayat	Member

DIRECTORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

The Directors of Pakistan International Airlines Corporation Limited (PIACL) are to present the Annual Report 2024 of PIACL along with the Financial Statements for the year ended December 31, 2024.

INDUSTRY REVIEW:

The commercial aviation sector has shown incredible resilience in post COVID period and continued to rebound during 2024, even among global challenges, such as supply chain and global uncertainties. Lower oil prices had several implications for the global economy and the airline industry, the most obvious one being lower headline inflation. This allowed further easing of monetary policy, and in turn potentially weakened the US dollar against most currencies. All these things were supportive of households' spending power and of global growth and in turn benefiting the airlines. Specifically, lower jet fuel price will lift 2025 industry profits.

Global air passenger demand reached record high in 2024. Total full-year traffic in 2024 (measured in revenue passenger kilometers or RPKs) swelled up to 10.4% compared to 2023. This was 3.8% above pre-pandemic (2019) levels. Total capacity, measured in available seat kilometers (ASK), was up by 8.7% in 2024. The overall load factor reached 83.5%, a record for full-year traffic. The year 2024 made it absolutely clear that people want to travel. With 10.4% demand growth, travel reached record numbers domestically and internationally. Airlines met that strong demand with record efficiency. On average, 83.5% of all seats on offer were filled—a new record high, partially attributable to the supply chain constraints that limited capacity growth. Aviation growth reverberates across societies and economies at all levels through jobs, market development, trade, innovation, and exploration. Likewise, air cargo market could sustain its current strength

BUSINESS REVIEW:

The total revenue for the 2024 was 14% lower than the last year mainly due to the capacity constraints. Nevertheless, the management kept their focus on the strict control of operating costs & overheads and on the more probable routes which coupled with the lower jet fuel prices resulted in the following financial performance with the bottom line manifesting a significant improvement.

(PKR in Million)

	2024	2023
Revenue (Net)	**204,164**	**237,883**
Aircraft Fuel	(75,586)	(98,062)
Operating Expenses	(123,355)	(141,083)
Other Income	4,134	5,156
Profit from Operations	**9,357**	**3,894**
Exchange Loss	(2,349)	(25,956)
Finance Cost	(10,066)	(79,429)
Loss before Taxation	**(3,058)**	**(101,491)**
Taxation	29,261	(3,010)
Net profit/(loss) for the year	**26,203**	**(104,501)**

During the financial year, PIA went through financial restructuring and majority of the bank loans and legacy liabilities were carved out of the Company. Further, during the year under review, Management focused on the cost cutting measures, route rationalization and worked out efficient strategies to make capital expenditure on the existing fleet to enhance capacity for the future. As a result of that PIA succeeded in achieving Profit from Operations of 'PKR 9.3 Billion compared to PKR 8.3 Billion in 2023 last year, reflecting a growth of around 2.4 times. The positive impact of carving out of legacy debt extended to the loss before taxation, which saw a 97% reduction in 2024 (due to lower finance costs and exchange losses).

CHANGE IN BOARD OF DIRECTORS:

Since the publication of PIACL Annual Report 2024, the following changes were made during the period:

NOMINATED		RELINQUISHED	
Name of Director	**Date**	**Name of Director**	**Date**
Mr Aslam R. Khan *Chairman-PIACL*	March 22, 2024	**Mr Saif Anjum** *Federal Secretary, Aviation Division*	July 20, 2024
Dr Aqdas Afzal	March 22, 2024	**Mr Nadeem Karamat**	August 13, 2024
Sahibzada Rafat Raoof Ali	March 22, 2024	**AVM Muhammad Amir Hayat** *Chief Executive Officer*	December 08, 2024
Mr. Saif Anjum *Federal Secretary, Aviation Division*	March 22, 2024		
Mr Imdad Ullah Bosal *Federal Secretary, Finance Division*	March 22, 2024		
Mr Haaris M Caudhary	March 22, 2024		
AVM Muhammad Amir Hayat *Chief Executive Officer*	March 22, 2024		
Mr Nadeem Karamat	March 22, 2024		
Mr Jawad Paul Khawaja *Federal Secretary, Privatization Division*	March 22, 2024		
Ms Tahira Raza	March 22, 2024		
Mr Ahsan Ali Mangi *Federal Secretary, Aviation Division*	July 27, 2024		
Mr Khurram Mushtaq *Acting Chief Executive Officer*	December 09, 2024		

ACHIEVEMENTS:

Company continued with efforts of enhancing its corporate image and its brand equity while getting into business partnerships and alliances to provide value added services for its guests. Though there were numerous challenges during the year 2024 for the airline, in terms of economic constraints,

country's economic scenario, Privatization transaction, the continued EU flight ban and the fuel supply issues, but the management strived to build the positive perception for the company, retaining PIA's image and its market share.

PIA and Golootlo Extend Strategic Partnership to Drive Customer Value and Revenue Growth

In May 2024 PIA and Golootlo, Pakistan's leading loyalty program, extended their successful and highly visible partnership. Through this collaboration initiated back in 2022, fostered a strong synergy, creating a win-win situation for both companies and their customers. PIA and Golootlo have launched a series of successful campaigns, rewarding PIA customers with exciting prizes like cars and mobile phones for choosing PIA for their travels. The extended partnership promises to explore entirely new avenues to further enhance the value proposition of PIA's products and services. The extension agreement was signed in Islamabad by PIA CEO Air Vice Marshal Amir Hayat and Golootlo CEO Mr. Fahad Mahmood, in the presence of senior officials from both organizations. PIA greatly values its highly productive relationship with Golootlo. This collaboration has generated significant revenue growth for PIA, reaching into the billions of rupees.



Air Vice Marshal Amir Hayat and Golootlo CEO, Mr. Fahad Mahmood at the agreement signing ceremony

Additionally through this partnership, PIA's valued customers also won two 660cc cars and countless mobile phone, through an open and live lucky draw, conducted by the Honorable Special Advisor to the Prime Minister on Aviation Air Marshal (Retd) Farhat Hussain.





Successful Completion of PIA's Hajj Operation 2024

After having successful Umrah Operations and moving forward, PIA successfully completed its Hajj operation 2024 with on time departures and arrivals of flights. The pre hajj operation commenced from 09 May and concluded on 10 June 2024 while the post Hajj operation began on 20 June and concluded on 21 July 2024. PIA operated Hajj flights to/ from Karachi, Lahore, Multan, Islamabad, Peshawar, Quetta, Sialkot and Sukkur to Jeddah and Madinah. The airline utilized its own aircraft for Hajj Operation 2024.



Chief Executive Officer, AVM Amir Hayat along with his team, is bidding farewell to the Hujjaj on first flight from Islamabad to Madinah

PIA transported more than 34,663 pilgrims to Saudi Arabia and back to Pakistan, of which 19,278 went to the holy land under the government scheme, 14,754 through private Hajj operators and the rest of the 631 as Khudams. PIA made arrangements such as city check-in facilities, allowing pilgrims to avoid long airport waits. Staff was also deputed at airports in Pakistan and Saudi Arabia for pilgrims' assistance.



Enhanced Hajj Facilitation Through 'Road to Makkah' and City Check-In Initiatives

PIA continued to work for the convenience of the Hujjaj e Karaam by collaborating with Saudi Ministry of Interior for launching 'Road to Makkah (Tareeq Makkah)' program at Islamabad and Karachi allowing the pilgrims to get Saudi immigration in Pakistan, reducing the wait timings upon their arrival in Jeddah or Medina. Similarly PIA also introduced City Check-In for the returning pilgrims back to Pakistan which had an unparalleled convenience.



PIA has also finalized its uplift share of pilgrims and on 13th November 2024 an agreement was signed between PIA and Ministry of Religious Affairs for transporting 35,000 intending pilgrims under Government hajj scheme to Saudi Arabia for Hajj 2025. CEO PIA, AVM Amir Hayat and Additional Secretary, Religious Affairs Dr. Syed Atta Ur Rehman signed the agreement.

PIA Expands Connectivity from Faisalabad: Flights to Karachi and KSA Resume

PIA resumed its flights between Faisalabad and Karachi with four flights per week from 9th June 2024; the flights were resumed to cater to the needs of business community. Along with that PIA opened additional network points by connecting Faisalabad and Quetta with KSA, serving a key segment that wanted direct flights from these cities.





Strategic Alliance Between PIA and Wego Set to Revolutionize Travel for Pakistan

On 21 June 2024 Pakistan International Airlines partnered with Wego to enhance travel experience for travelers. PIA and Wego, the number 1 travel app and the largest online travel marketplace in the Middle East and North Africa (MENA) announced a strategic partnership aimed to provide an enriched travel experience for Pakistani travelers by offering seamless access to a wide array of flight options and competitive prices.

The collaboration integrated Pakistan International Airline's extensive flight network with Wego's state-of-the-art booking platform, offering travelers an unparalleled level of convenience and choice of travel to and from Pakistan. This collaboration will significantly expand PIA reach, allowing to connect with a wider audience and offer them outstanding travel options. This partnership will greatly improve the overall travel experience for passengers. This partnership not only opens up new travel opportunities but also supports Pakistan's growing tourism sector by encouraging more inbound and outbound travel. Travelers can look forward to a smooth and hassle-free experience from the moment they start planning their trip to the time they return home.

PIA Honoured with CSR Award at 7th Annual CSR 24 Leadership Conference

The National Flag Carrier received CSR Award at the 7th Annual CSR 24 Leadership Conference held at Karachi on 3rd September 2024. The 7th CSR 24 Leadership Conference and Awards Ceremony was held at a local hotel in Karachi attended by representatives from MNCs, Banks and social circles.



GM Corporate Communications, Abdullah H Khan receiving the CSR Award on Behalf of PIA

PIA Joins Hands with Funadiq to Promote Saudi Tourism under Vision 2030

On September 23, 2024, PIA and Funadiq Travel & Tourism Services, the official marketing representative of the Saudi Tourism Authority in Pakistan, signed a Memorandum of Understanding (MoU) to boost tourism and air travel between Pakistan and Saudi Arabia. The partnership aims to promote Saudi Arabia as a top tourist destination for Pakistani travelers through joint marketing initiatives, co-branded travel packages, and sustainable tourism practices. The collaboration also supports the broader objectives of Saudi Arabia's Vision 2030. The partnership is expected to

strengthen Pakistan-Saudi Arabia relations, enhance tourism potential, and offer new opportunities for both countries to collaborate on multiple fronts.



Air Vice Marshal Amir Hayat and Funadiq CEO, Mr. Salman Arain at the agreement signing ceremony.

PIA Wins Best Airline of the Year 2024: Flying High for Pakistan's Tourism

On September 28th 2024, PIA was awarded the *Best Airline of the Year 2024* for its contributions to promoting tourism in Pakistan. Transporting nearly 75,000 tourists during the summer season alone, this recognition highlights PIA's commitment to showcasing the country's beauty to the world. We extend our sincere gratitude to our valued passengers and partners, including Discover Pakistan and the Pakistan Tourism Development Corporation (PTDC), for their continued trust and support.



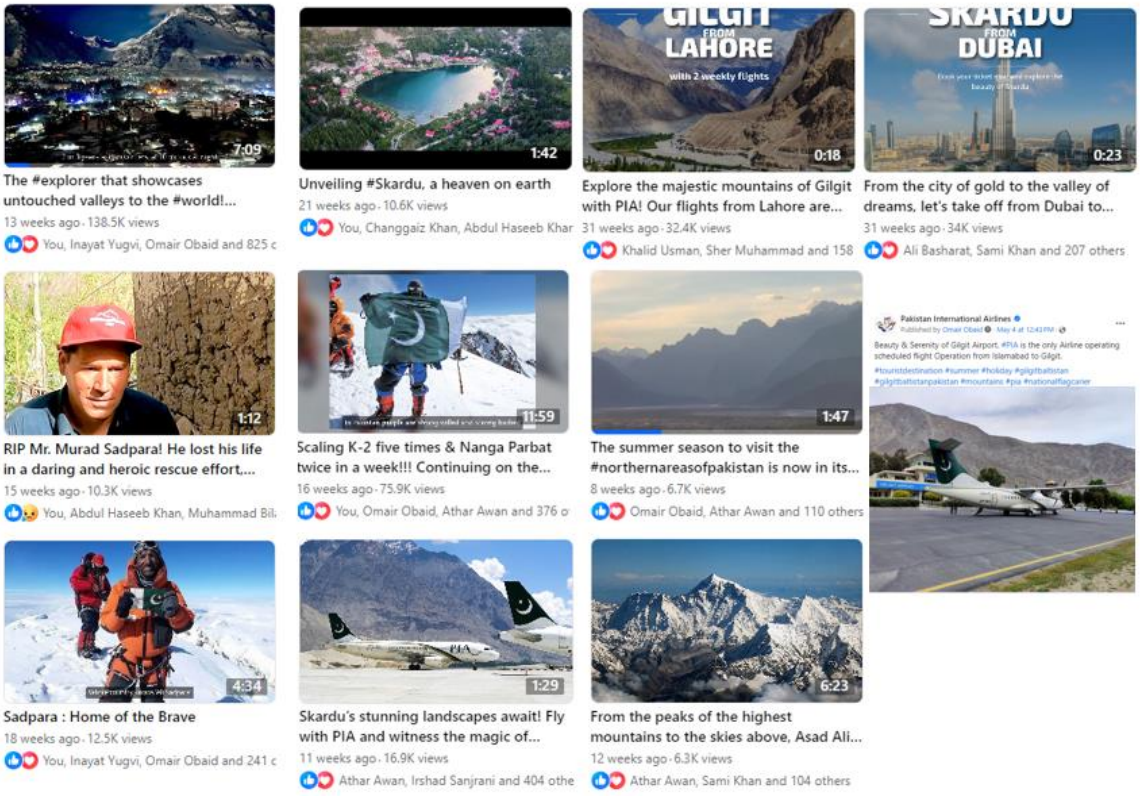
Group Photo of The Leadership Team with CEO PIA AVM Muhammad Amir Hayat, SI(M)



CEO PIA received the award from Chief Guest Ahsan Iqbal Chaudhary, Minister for Planning Development & Special Initiatives

Promoting Pakistan's Peaks: PIA's Summer Campaign Reaches 37 Million

PIA Marketing team, during the summers, conceived and designed a beautiful campaign to promote Northern Areas of Pakistan that has received global accolades The campaign got featured in major national and international news outlets and magazines and had a combined reach of nearly 37 million on owned and third party social media handles. PIA promoted the sports of mountaineering by highlighting the achievements of Pakistan mountaineers while also projecting some of the most beautiful yet unexplored places.





PIA Shines at Pakistan Travel Mart 2024

Pakistan Travel Mart, the premier travel and hospitality expo in Pakistan, was held in the beginning of this year, attracting large number of visitors from the travel and hospitality eco system. PIA remained the main partner for the event, acting upon our ambassadorial mandate for the country. PIA's stall, themed on the 'Colours of Pakistan' remained the most popular stop for the visitors and attracted large crowd during cultural performances.



PIA Clinches "Best Airline of the Year" Award for Third Consecutive Time

PIA has achieved a remarkable milestone by winning the **"Best Airline of the Year"** award for the third consecutive time at the **EIPA Awards**. This prestigious recognition highlights PIA's commitment to excellence in service, operational efficiency, and customer satisfaction. The airline's consistent performance and dedication to enhancing passenger experience have solidified its position as a leading carrier. Winning this award three times in a row reflects PIA's ongoing efforts to elevate its standards and reinforce its presence in the aviation industry.



Chief Technical Officer Amir Ali receiving the Best Airline of the Year 2024 Award on behalf of CEO PIA.

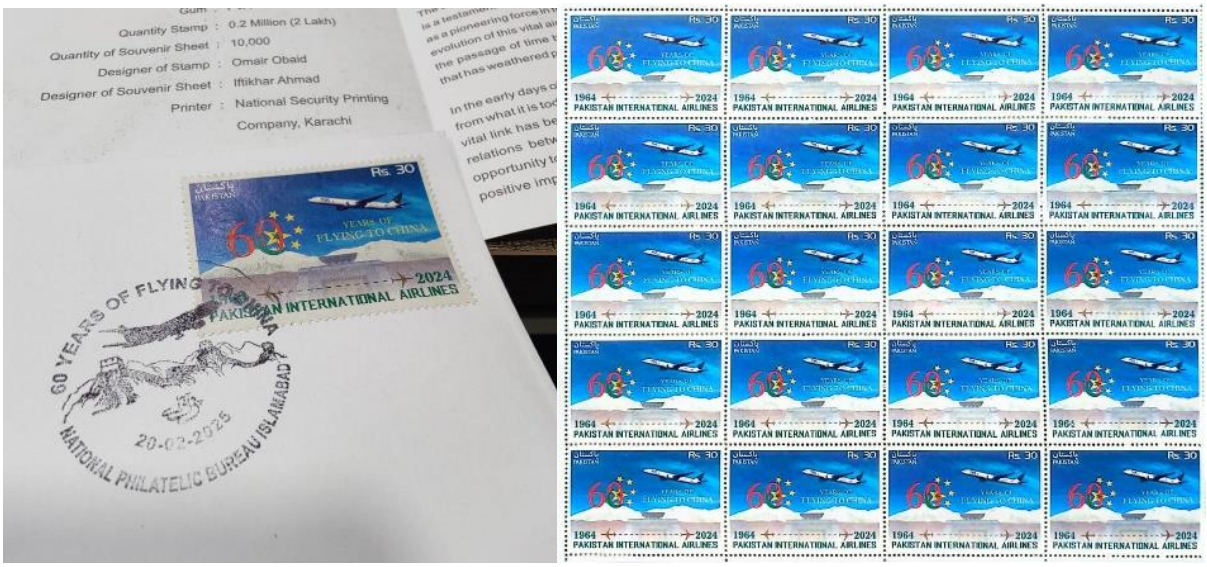
Reviving the Fleet: PIA Prepares for 2025 Expansion with Enhanced Aircraft Strength

After the uplifting of ban imposed by EASA, PIA is planning to expand its network to Europe and UK. With the expansion of its network and the potential resumption of flights to the UK and Europe, national airline is in the process of rejuvenating its aircraft that were in long storage, bringing them back into the operational fleet, as per the plan laid down by the management the operational fleet of Boeing 777's will reach to number 08. Similarly, the management has planned to increase the number of A-320 aircraft to 12 and ATR to 02. This fleet requirement is as per the aggressive operating plan that PIA has set for itself for the year 2025. PIA is making all out efforts to enhance its network while being fully viable to serve the route in demand and to bring convenience to the large diaspora residing abroad. Due to the efforts PIA now maintaining note-worthy schedule reliability and on-time performance exceeding 90 %, the highest in the country.

PIA Celebrates 60 Years of Historic Air Connectivity with China

In 2024, Pakistan International Airlines proudly marks 60 years of flight operations to China, celebrating a historic milestone in aviation and diplomacy. PIA holds the distinction of being the first airline from a non-communist country to establish direct air connectivity with China, launching its inaugural flight to Beijing in 1964. To commemorate this remarkable achievement, a special postal stamp has been issued, symbolizing six decades of friendship, connectivity, and cooperation between Pakistan and China. This milestone highlights PIA's pioneering role in fostering trade, cultural exchanges, and diplomatic relations, strengthening the deep-rooted ties between the two nations. The issuance of this

commemorative stamp not only recognizes PIA's legacy in international aviation but also serves as a testament to the enduring bond between Pakistan and China. It reflects the airline's commitment to enhancing regional connectivity and its contribution to the historic Pakistan-China relationship.

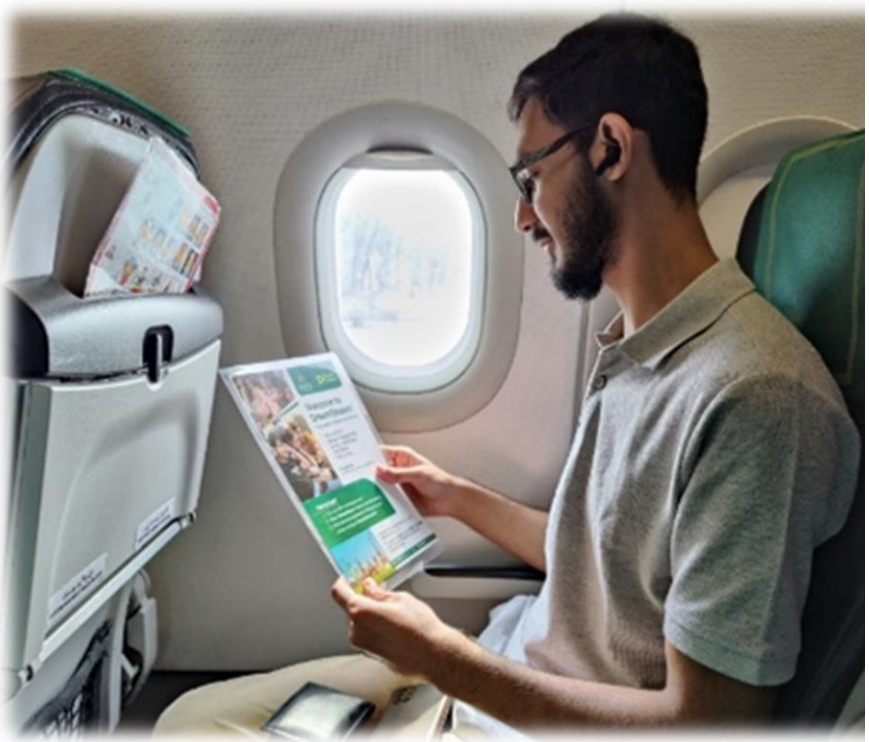


Celebrating 60 years of PIA's historic journey to China – A legacy of friendship and connectivity

Enhanced Passenger Experience with WiFi-Based IFE System

PIA also introduced WiFi enabled Inflight Entertainment System onboard PIA's aircraft, both on international and domestic sectors. The service has resumed IFE capability after a lapse of 8 years. The IFE capability is offered through Bring your Own Device (BYOD) Concept whereby passengers can access over 100 hours of English & Urdu content on their personal devices.





CORPORATE SOCIAL RESPONSIBILITY

PIACL is driven by high standards of corporate social responsibility (CSR). As a public sector, public interest Company, it believes in building strong relationships with customers, partners, employees and the communities in which it operates. It aims to include public interest into its corporate decision-making by pursuing a triple bottom line objective: People, Profit and Planet. As a responsible corporate citizen, the airline extends support during natural calamities by making donations, operating additional flights and carrying relief material free of charge. Al-Shifa is the flagship CSR activity of PIA existing since 1967. Besides this, PIA Cricket Academy, PIA Planeteria as well as HSE reflect the airline's belief in contributing to a better tomorrow.

Al-Shifa Trust







During 2024, Al-Shifa Trust undertook several initiatives aimed at improving its facilities and enhancing services for its beneficiaries. A significant milestone was the establishment of a new Occupational Therapy Unit, which has greatly improved the quality and accessibility of therapeutic care provided to the children.

To further support skill development, a separate Vocational Training Class for boys was introduced. This facility offers training in practical skills such as block printing, screen printing, and basic computer literacy, empowering children with knowledge and experience that can contribute to their future independence and confidence.

Al-Shifa Trust's commitment to holistic development was also reflected in the participation of its special athletes in the Sindh Special Games, where they showcased their talent and brought home medals, making the institution proud.





The Trust was honored to host a team of senior officials from Special Olympics Asia Pacific, whose visit acknowledged the efforts of Al-Shifa Trust in promoting inclusive sports and therapies for children with special needs.

In celebration of Pakistan's Independence Day, Al-Shifa Trust organized a commemorative event graced by Mr. Amanullah Qureshi, the then Chief Operating Officer of PIA, as the Chief Guest. The event served as a reminder of national pride and unity while providing a joyful experience for the children and staff alike.

STATEMENT OF INTERNAL CONTROLS

The statement of internal controls is based on an ongoing process designed to identity the significant risk in achieving the Organization's policies, aims and objectives, and to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been continuously in place for the year ended December 31, 2024.

It is the responsibility of the Organization's management to establish and maintain an adequate and effective system of Internal Control and every endeavor is made to implement sound control procedures and to maintain a suitable control environment.

Board has established a Board Audit Committee (BAC) comprising three Non-Executive Directors. Terms of Reference of BAC are in line with the statutory requirements. BAC is responsible for oversight of Internal Audit Function as well as external financial reporting.

The Board of Directors has instituted an effective Internal Audit Function headed by an experienced Fellow Chartered Cost & Management Accountant, who not only monitors compliance with the Organization polices, procedure and controls and reports significant deviations regularly to the Board Audit Committee, but also regularly reviews the adequacy of the overall Internal Control System. Furthermore, observations and weaknesses pointed out by the Organization's external auditors are also addressed promptly and necessary steps are taken by the management to eliminate such weaknesses.

The Internal Audit function has transformed its audit approach from traditional to risk-based for all auditable assignments in line with guidelines of the Committee of Sponsoring Organization of Trade way Commission (COSO) and standards set out by the Institute of Internal Auditors (IIA).

Furthermore, the Organization has developed a comprehensive management testing and reporting framework for ensuring ongoing operating effectiveness of majority of key controls and has addressed the design improvement opportunities identified to complete project-related initiatives in a significant manner.

FUTURE OUTLOOK:

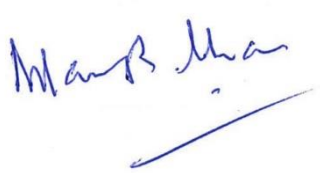
PIA is a debt free company now and has shown excellent operational performance in the year ended Dec 31, 2024. Looking ahead, the company is poised for a turnaround, focusing solely on its core aviation business after the restructuring. With streamlined operations and a renewed focus on profitability, the company aims to capitalize on the growing domestic and international travel demand.

In the year 2025, airlines are expected to improve their margins on the back of lower jet fuel prices. A weaker US dollar and a shift in the interest rate cycle should further support operating results. Therefore, a wholesome approach has been adopted to capitalize on this opportunity in the offing.

ACKNOWLEDGEMENT

We would like to thank the customers, the Government of Pakistan for their valuable support. We are grateful to the aircraft lessors, banks, MROs, fuel suppliers and vendors for their trust and confidence in the airline. We also wish to thank each member of the Management and staff for their loyalty, dedication, commitment, hard work and sustained endeavours in meeting the challenges posed before the organization.

For and on behalf of the Board



Aslam R Khan
Chairman-PIACL



AVM Muhammad Amir Hayat
Acting Chief Executive Officer

April 08, 2025
Karachi

BOARD MEETINGS **ATTENDANCE**

MEETINGS DATE / ATTENDED	BM-83 25/03/2024	BM-84 12/06/2024	BM-85 16/09-2024 & 17/09/2024	BM-86 18/11/2024	BM-87 05/12/2024	BM-88 12/12/2024
Mr Aslam R. Khan *Chairman*	✓	✓	✓ VL	✓	✓	✓
Dr Aqdas Afzal	✓ VL	✓ VL	✓ VL	✓ VL	✓ VL	✓ VL
Sahibzada Rafat Raoof Ali	✓	✓ VL	✓ VL	✓ VL	✓	✓ VL
Mr. Saif Anjum *Federal Secretary, Aviation Division*	✓	Leave of Absence	-	-	-	-
Mr Imdad Ullah Bosal *Federal Secretary, Finance Division*	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Mr Haaris M Chaudhary	✓	Leave of Absence	✓	✓ VL	Leave of Absence	✓ VL
AVM Muhammad Amir Hayat *Chief Executive Officer*	✓	✓	✓	✓	✓	-
Mr Nadeem Karamat	✓ VL	✓	-	-	-	-
Mr Jawad Paul Khawaja *Federal Secretary, Privatization Division*	✓	✓ VL	✓ VL	Leave of Absence	Leave of Absence	Leave of Absence
Mr. Ahsan Ali Mangi *Federal Secretary, Aviation Division*	-	-	Leave of Absence	✓	✓	✓
Mr Khurram Mushtaq *Acting Chief Executive Officer*	-	-	-	-	-	✓
Ms Tahira Raza	✓	✓	✓	✓	✓	✓ VL

ATTENDANCE OF DIRECTORS AT
AUDIT COMMITTEE MEETINGS

MEETINGS DATE / ATTENDED BY	BAC-38 08/05/2024	BAC-39 16/09/2024
Sahibzada Rafat Raoof Ali	✓ VL	✓ VL
Mr Imdad Ullah Bosal *Federal Secretary, Finance Division*	Leave of Absence	Leave of Absence
Mr Nadeem Karamat	✓	-
Ms Tahira Raza	Leave of Absence	✓

ATTENDANCE OF DIRECTORS AT
HR & NOMINATION COMMITTEE MEETINGS

MEETINGS DATE / ATTENDED BY	BHR&NC-22 24/07/2024	BHR&NC-23 21/11/2024
Dr Aqdas Afzal	✓ VL	✓ VL
Mr Haaris M Chaudhary	✓	✓
AVM Muhammad Amir Hayat *Chief Executive Officer*	✓	✓

SIX-YEAR SUMMARY

	2024 (Audited)	2023 (Audited)	2022 (Audited)	2021 (Audited)	2020 (Audited)	2019 (Audited) (Re-stated)
OPERATION						
Route Kilometers	593,063	301,832	341,821	374,054	705,820	389,725
Revenue Kilometers Flown (000)	51,984	56,650	53,811	34,544	37,403	70,515
Revenue Hours Flown	82,043	88,996	84,742	55,710	57,370	110,640
Available Tonne Kilometers A.T.K (000)	1,599,880	1,884,303	1,805,992	1,019,875	1,326,514	2,609,730
Available Seat Kilometers A.S.K (000)	12,123,165	13,768,098	13,075,390	7,681,820	8,902,198	18,371,578
TRAFFIC						
Revenue Passengers Carried (000)	3,904	4,496	4,281	2,657	2,541	5,290
Revenue Passengers Kilometers (000)	9,918,324	11,467,767	10,496,577	5,138,222	6,628,751	14,938,238
Passenger Load Factor (%)	81.81	83.30	80.28	66.89	74.46	81.31
Revenue Freight Tonne Kilometers (000)	134,601	112,699	95,328	75,605	95,880	191,546
Kgs. of Excess Baggage & Cargo (000)	44,545	24,019	21,267	25,747	27,274	48,838
Kgs. of Mail (000)	147	78	109	228	121	189
Revenue Tonne Kilometers (000)	1,029,639	1,157,127	1,047,494	547,436	694,799	1,539,026
Revenue Load Factor (%)	64.42	61.40	58.00	53.68	52.40	58.97
Avg. Kilometer Per Passenger	2,541	2,551	2,452	1,934	2,608	2,824
FINANCIAL						
Operating Revenue (Rs. in million)	204,164.462	237,882.756	172,038.132	86,185.394	94,989.391	147,500.129
Operating Expenses (Rs. in million)	194,807.036	233,988.257	183,354.243	101,212.425	95,669.705	153,630.617
Profit/(Loss) from operations (Rs. in million)	9,357.426	3,894.499	(11,316.111)	(15,027.031)	(680.314)	(6,130.488)
Profit/(Loss) before tax (Rs. in million)	(3,057.527)	(101,491.023)	(86,517.058)	(49,763.748)	(35,353.673)	(53,361.386)
Profit/(Loss) after tax (Rs. in million)	26,203.765	(104,500.598)	(88,008.417)	(50,101.491)	(34,642.811)	(52,601.610)
Fixed Assets (Rs. in million)	94,572.327	101,034.205	95,610.571	91,546.616	90,946.488	99,418.582
Current Assets (Rs. in million)	54,551.725	45,135.781	49,366.097	45,093.507	42,491.498	52,917.036
Current Liabilities (Rs. in million)	142,017.388	483,120.786	380,593.624	313,715.044	322,252.878	324,645.200
Long-Term Debts (Rs. in million)	-	296,180.060	305,717.451	283,033.759	222,960.679	207,050.576
Net Worth (Rs. in million)	3,554.146	(690,214.113)	(587,673.889)	(497,463.605)	(448,766.813)	(416,409.634)
RATIOS						
Profit / Loss per share (Rs.)	5.01	(19.96)	(16.81)	(9.57)	(6.62)	(10.05)
Current ratio	0.38	0.09	0.13	0.14	0.13	0.16
SHARE PRICES (Rs. 10 Share)						
High	-	9.45	5.75	6.87	6.85	7.59
Low	-	3.16	3.18	3.73	3.21	6.45
Closing	-	7.05	3.47	3.93	4.73	6.67
PERSONNEL						
Average No. of Employees	6,625	7,326	8,031	8,558	10,779	11,740
Revenue Per Employee (Rs. In million)	30.82	32.47	21.42	10.07	8.81	12.56


AUDITORS REPORT
TO THE MEMBERS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan International Airlines Corporation Limited (the Company), which comprise the statement of financial position as at December 31, 2024, the statement of profit or loss, the statement of the comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of the comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit / other comprehensive income, the changes in equity and the cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (The Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters:

i) note 11 to the financial statements, which states that deferred tax asset has been recognized on the basis of the Company's financial projections for the next 5 years. The preparation of financial projections involves management's assumptions regarding future business plan and any significant change in such assumptions may have an effect on the realizability of the deferred tax asset.

ii) note 30.1 to the financial statements which states that the Company is exposed to various tax and other contingencies, the ultimate outcome of which cannot presently be determined and accordingly, no provision has been made in respect of these contingencies in the financial statements.

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 are in agreement with the books of account and returns;

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c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partners on the audit resulting in this independent auditor's report are Tariq Feroz Khan (BDO Ebrahim & Co.) and Muhammad Khalid Aziz (Grant Thornton Anjum Rahman).

BDO Ebrahim & Co.
Chartered Accountants

Date: 09 May 2025

UDIN: AR202410166OHts9vKyJ

Place: Karachi

Grant Thornton Anjum Rahman
Chartered Accountants

Date: 09 May 2025

UDIN: AR202410154orZwXciAj

Place: Karachi

FINANCIAL
STATEMENTS



PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		---------- (Rupees in '000) ----------		---------- (US$ in '000) ----------	
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	6	93,799,296	97,888,815	336,740	347,295
Investment property	7	638,926	2,928,551	2,294	10,390
Intangibles	8	134,105	216,839	481	769
Long-term investments	9	-	4,591,294	-	16,289
Long-term loan to subsidiaries	10	-	3,136,650	-	11,128
Deferred taxation	11	31,627,384	-	113,543	-
Long-term deposits	12	6,536,222	5,791,412	23,465	20,547
		132,735,933	114,553,561	476,523	406,418
CURRENT ASSETS					
Stores and spares	13	4,237,583	3,999,539	15,213	14,190
Trade debts	14	12,347,923	15,743,285	44,329	55,855
Advances	15	7,189,818	6,831,393	25,812	24,237
Trade deposits and short-term prepayments	16	4,290,432	6,120,440	15,403	21,714
Other receivables	17	18,138,774	7,509,437	65,120	26,642
Cash and bank balances	18	8,347,195	4,147,524	29,967	14,715
Current maturity of loan to subsidiaries	10	-	784,163		2,782
		54,551,725	45,135,781	195,844	160,135
TOTAL ASSETS		187,287,659	159,689,342	672,367	566,553
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorised share capital	19	54,000,000	54,000,000	-	-
Issued, subscribed and paid-up share capital	19	52,345,110	52,345,110	187,920	185,713
Reserves	20	(73,052,897)	(761,749,730)	(262,261)	(2,702,575)
Surplus on revaluation of property, plant and equipment	21	24,261,933	19,190,507	87,101	68,085
		3,554,146	(690,214,113)	12,760	(2,448,777)
NON CURRENT LIABILITIES					
Long-term financing	22	-	275,252,151	-	976,554
Lease liabilities	23	14,338,730	20,927,909	51,476	74,249
Long-term advance from subsidiaries	24	-	11,473,062	-	40,705
Deferred liabilities	25	27,377,396	59,129,547	98,285	209,783
		41,716,126	366,782,669	149,761	1,301,291
CURRENT LIABILITIES					
Trade and other payables	26	121,591,065	276,590,287	436,514	981,300
Unclaimed dividend - Preference shares		-	3,297	-	12
Accrued interest	27	-	85,000,859	-	301,570
Taxation - net		5,911,835	4,210,768	21,225	14,939
Short-term borrowings	28	7,000,000	47,722,791	25,130	169,313
Current maturity of non-current liabilities	29	7,514,488	69,592,784	26,977	246,905
		142,017,388	483,120,786	509,846	1,714,039
TOTAL EQUITY AND LIABILITIES		187,287,659	159,689,342	672,367	566,553
CONTINGENCIES AND COMMITMENTS	30				

The annexed notes from 1 to 49 form an integral part of these financial statements.

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

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
		(Rupees in '000)		(US$ in '000)	
Revenue - net	31	204,164,462	237,882,756	728,624	936,009
Cost of services					
Aircraft fuel		(75,586,032)	(98,061,940)	(269,752)	(385,849)
Others	32	(106,578,544)	(120,421,416)	(380,359)	(473,828)
		(182,164,576)	(218,483,356)	(650,111)	(859,677)
Gross profit		21,999,886	19,399,400	78,513	76,332
Distribution costs	33	(8,338,464)	(8,776,804)	(29,758)	(34,535)
Administrative expenses	34	(8,294,060)	(8,050,488)	(29,600)	(31,677)
Other provisions and adjustments - net	35	(144,317)	(3,833,695)	(515)	(15,085)
Other income - net	36	4,134,381	5,156,086	14,755	20,288
		(12,642,460)	(15,504,901)	(45,118)	(61,009)
Profit from operations		9,357,426	3,894,499	33,395	15,323
Exchange loss - net		(2,349,278)	(25,956,026)	(8,384)	(102,130)
Profit / (loss) before interest and taxation		7,008,148	(22,061,527)	25,011	(86,807)
Finance costs	37	(10,065,675)	(79,429,496)	(35,922)	(312,535)
Loss before levy and income tax		(3,057,527)	(101,491,023)	(10,911)	(399,342)
levy - minimum tax		(1,531,233)	(1,784,121)	(6,025)	(7,020)
Loss before income tax		(4,588,760)	(103,275,144)	(16,474)	(370,760)
Taxation	38	30,792,525	(1,225,454)	109,893	(4,373)
Net profit / (loss) for the year		26,203,765	(104,500,598)	98,982	(406,362)
		(Rupees)		(US$)	
Profit / (loss) per share - Basic and diluted			(Restated)		(Restated)
Attributable to ordinary shares of Rs. 10 each	39	5.01	(19.96)	0.02	(0.08)

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)		(US$ in '000)	
Net profit / (loss) for the year	26,203,765	(104,500,598)	98,982	(411,184)
Other comprehensive income:				
Items that will not be reclassified subsequently to statement of profit or loss				
Unrealised loss on re-measurement of investments at FVOCI- net of tax	(30,549)	(81,236)	(109)	(319)
Surplus on revaluation of property, plant and equipment - net of tax	12,442,024	8,122,820	44,403	31,962
Remeasurement of post retirement defined benefits obligations - net of tax	980,268	(6,081,213)	3,498	(23,928)
Other comprehensive income	13,391,744	1,960,371	47,792	7,715
Total comprehensive income / (loss) for the year	39,595,509	(102,540,227)	146,774	(403,469)

The annexed notes from 1 to 49 form an integral part of these financial statements.

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

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid-up share capital	Reserves							Surplus on revaluation of property, plant & equipment (Note 20)	Demerger Reserve	Total
		Capital Reserves			Revenue Reserves		Other component of equity				
		Reserve for replacement of fixed assets	Capital redemption reserve fund	General capital reserve	General reserve	Accumulated losses	Unrealised gain / (loss) on remeasurement of investments at FVOCI	Actuarial gain / (loss) on defined benefit obligations			
	(Rupees in '000)										
Balance as at January 01, 2023	52,345,110	1,966,779	250,000	284,259	1,779,674	(649,973,676)	278,431	(5,736,521)	11,132,055	-	(587,673,889)
Net loss for the year	-	-	-	-	-	(104,500,598)	-	-	-	-	(104,500,598)
Other comprehensive (loss) / income for the year	-	-	-	-	-	-	(81,236)	(6,081,213)	8,122,820	-	1,960,371
Total comprehensive (loss) / income for the year	-	-	-	-	-	(104,500,598)	(81,236)	(6,081,213)	8,122,820	-	(102,540,227)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	64,368	-	-	(64,368)	-	-
Balance as at December 31, 2023	52,345,110	1,966,779	250,000	284,259	1,779,674	(754,409,906)	197,195	(11,817,734)	19,190,507		(690,214,116)
Net loss for the year	-	-	-	-	-	26,203,765	-	-	-	-	26,203,765
Other comprehensive (loss) / income for the year	-	-	-	-	-	-	(30,549)	980,268	12,442,024	-	13,391,744
Total comprehensive (loss) / income for the year	-	-	-	-	-	26,203,765	(30,549)	980,268	12,442,024		39,595,509
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	73,921	-	-	(73,921)	-	-
Reserve under the scheme (Note 1.4)	-	-	-	-	-	-	-	-	-	653,528,375	653,528,375
Transfer to Holding Company:											
Deferred tax on investment measured at the FVOCI	-	-	-	-	-	16,140	-	-	-	-	16,140
Un-realized loss on remeasurement of investment	-	-	-	-	-	-	(166,646)	-	-	-	(166,646)
Actuarial gain on deferred liability	-	-	-	-	-	-	-	8,091,562	-	-	8,091,562
Surplus on revaluation of land transferred	-	-	-	-	-	-	-	-	(7,296,678)	-	(7,296,678)
Balance as at December 31, 2024	52,345,110	1,966,779	250,000	284,259	1,779,674	(728,116,080)	-	(2,745,904)	24,261,933	653,528,375	3,554,146

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		(Rupees in '000)		(US$ in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	40	20,900,951	61,045,989	74,593	246,637
Profit on bank deposits received		90,974	145,915	325	574
Finance costs paid		(222,605)	(43,064,099)	(794)	(169,446)
Taxes paid		(74,785)	(203,295)	(267)	(800)
Staff retirement benefits paid		(1,984,601)	(3,689,108)	(7,083)	(14,516)
Long-term advance to subsidiaries		-	(182,368)	-	(718)
Long-term deposits		(891,396)	(1,288,896)	(3,181)	(5,071)
Net cash inflow from operating activities		17,818,538	12,764,138	63,593	56,660
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,391,324)	(1,611,570)	(4,965)	(12,777)
Purchase of intangible assets		-	(40,374)	-	(159)
Proceeds from sale of property, plant and equipment		3,849	348	14	1
Net cash used in investing activities		(1,387,475)	(1,651,596)	(4,951)	(12,935)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long term financing		(9,697,035)	(23,943,496)	(34,607)	(94,212)
Proceeds from short-term borrowings		7,000,000	17,000,000	24,982	66,891
Repayment of lease liabilities		(8,671,565)	(9,764,474)	(30,947)	(38,421)
Net cash (used in) financing activities		(11,368,601)	(16,707,970)	(40,572)	(65,742)
Increase / (decrease) in cash and cash equivalents		5,062,462	(5,595,428)	18,070	(22,017)
Cash and cash equivalents at beginning of the year		3,284,733	8,880,161	11,723	34,941
Cash and cash equivalents at end of the year		8,347,195	3,284,733	29,793	12,924
Cash and cash equivalents					
Cash and bank balances	18	8,347,195	4,147,524	29,793	16,319
Running finance under mark-up arrangements		-	(862,791)	-	(3,395)
		8,347,195	3,284,733	29,793	12,924

The annexed notes from 1 to 49 form an integral part of these financial statements.

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

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

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

1.2 The Business Units of the Company include the following:

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

1.3 The Immovable fixed assets of the Company include the following:

Description of location	Geographical Location	Total Area of Land Sqaure Yards
Booking Office	5th The Mall Road, Saddar, Rawalpindi.	4,328
Sales Office	33-The Mall, Arbad Road, Peshawar.	9,931
Sales Office	Jinnah Avenue, 49 Blue Area, Islamabad	1,200
Sales Office Building	17 Shahrah e Hali, Cantonment, Quetta.	3,732
G.D Somani Morg Cuffe Parade	Flat No. 32, 3rd Floor Jolly Marker-3 G.D Somani Marg, Cuffe Parade, Mumbai - 400 005	193
Narain Manzil	Narain Manzil, 23 Barakhamba Road, New Delhi - 110001	451
Shaykhontohur District	Shaykontohur District Halklar Dustligr Street, Tashkent	291
Leidsestraat 17	1017 NT Amsterdam The Netherlands, Amsterdam.	118
Van Nijenrodeweg 835	1082 JM Amsterdam The Netherlands, Amsterdam.	309
Koningsvaren 109 Abcoude	Koningsvaren 109 Abcoude, Amsterdam.	300
Residence No.55	Saxon Woods Road Scarsdale, NY 10583-7812, New York.	2,275
Land for Headquaters	Near Saudi Pak Tower Plot No 57, F-7, G-7 Blue area, Islamabad.	4,608

In addition to above, there are certain assets which are acquired on lease and classified as right of use assets.

1.4 Restructuring of the Company

During the year ended 2023, the Company started an exercise of restructuring its business under the mandate approved by the Privatization Commission (PC) , Government of Pakistan. As part of this exercise, the proposed segregation plan along with proposed Scheme Of Arrangement (SOA) were presented to the PC . Based on the PC's recommendation, the Federal Cabinet accepted the proposed SOA during its meeting held on February 06, 2024. Later, the Board of Directors of the Company and share holders in its EOGM also approved the SOA on March 25, 2024 and April 20, 2024 respectively .The Securities and Exchange Commission of Pakistan ultimately granted permission to accord its assent by an order dated May 03, 2024 to demerge the company which has been made effective from April 30 , 2024 (the effective date).

In terms of this reconstruction, the assets and liabilities are segregated between "Core Undertaking" and "Non Core Undertaking". The Company's assets and liabilities are primarily associated with its primary aviation activity. The assets and liabilities associated with the main aviation operation are included in the core business and hence retained by the Company. Other auxiliary services like Precision Engineering Complex, investments in subsidiaries and associates and certain real estate assets are all considered as non-core business and hence carved out from the Company and transferred to a newly formed Holding Co.(Hold Co.) . The major debts have been transferred to the HoldCo. on the effective date, with the same book values recorded in PIACL's books as at April 30 ,2024. All the consequential accounting effect of de-merger has been adjusted in reserves of the Company as stated in the ensuing paras.

As aforesaid , the above SOA has been made effective from April 30, 2024 with the exception of some designated liabilities which have been transferred with effect from December 31, 2023. As of the effective date the entire shareholding of the Federal Government (100%) of the Company has been transferred to Hold Co. through SOA. The Company was delisted on May 26, 2024 from the Pakistan Stock Exchange and the Hold co. has been listed on May 27, 2024. By virtue of this development the Company has become the wholly owned subsidiary of the Hold Co.

The details of assets and liabilities which have been transferred to Hold Co and its consequential effect on the reserves of the Company are as follows:

	Note	(Rupees in million)
ASSETS		
Property, plant and equipment	6.1 & 6.4	7,607
Investment property	7	2,332
Long-term investments	9.1	4,561
Long-term loan to subsidiaries	10.1	3,911
Stores and spares	13	154
Trade debts	14	-
Advances	15	23
Trade deposits and short-term prepayments	16	2
Other receivables	17	1,555
Cash and bank balances	18	41
		20,186
LIABILITIES		
Long-term financing	22.1 & 22.2	328,076
Long-term advance from subsidiaries	24.1	11,345
Deferred liabilities	25	35,262
Trade and other payables	26	158,373
Accrued interest	27.1	92,935
Short-term borrowings	28	47,723
		673,714
Net Assets		**(653,528)**
Amount transferred to Reserve under the scheme		**(653,528)**

During the year, after carving out certain assets and liabilities on April 30, 2024 , the Privatization Commission (PC), Government of Pakistan initiated the privatization process. In this regard, the initial bidding process could not fetch the desired results, and the second round of bidding is expected to be completed subsequent to the reporting date. The management remains hopeful that the privatization will be successfully completed and that control will eventually be transferred to the successful bidders.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Act; and

- Provisions of and directives issued under the Act and the requirements of the SOE Act, 2023.

Where provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except otherwise disclosed in the financial statements.

2.3 Functional and presentation currency

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

The US Dollar amounts reported in the statement of financial position, statement of profit or loss, statement of comprehensive income and statement of cash flows are stated as additional information, solely for the convenience of the users of these financial statements. The US Dollar amounts in the statement of financial position have been translated into US Dollar at the rate of Rs. 278.5500 = US$ 1 (2023: Rs. 287.7384 = US$ 1) and in the statement of profit or loss, statement of comprehensive income and statement of cash flows have been translated into US Dollar at the rate of Rs.280.2054 = US$ 1 (2023: Rs. 257.0847 = US$ 1).

3 NEW ACCOUNTING STANDARDS

3.1 Standards / amendments that are effective in current year

There are certain new standards, and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

3.2 Accounting standards not yet effective

There are certain new standards, and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after January 01, 2025. However, the company expects that these standards will not have any material impact on the future financial statements of the Company.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of these financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to the accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that period, or in the year of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements which are significant to these financial statements:

4.1 Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation / useful lives and residual values used in the calculation of depreciation at each financial year end. Further, the Company estimates revalued amounts and useful lives of leasehold land and buildings on leasehold land based on the periodic valuations carried out by independent professional valuers. Any change in estimate in future might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, surplus on revaluation and annual transfer of incremental / decremental effect of depreciation from surplus on revaluation of property, plant and equipment to accumulated losses directly in equity.

4.2 Investment property

The Company revalues the investment property at fair value on each reporting date. Fair values are based on active market prices, adjusted, if necessary, for any differences in nature, location or condition of the specified assets.

4.3 Stores and spares

The Company at each reporting date reviews the net realisable value of stores and spares to assess any diminution in their respective carrying values. Due to the complex nature and huge quantum of the items of stores and spares, the net realisable value is arrived at by estimating the provision against slow moving stores and spares, which is made in proportion to the estimated utilised life of the relevant category of the aircraft attained up to the reporting date.

4.4 Trade debts and other receivables

These are stated initially at fair value and subsequently measured at amortised cost less an allowance for ECL. Allowance for ECL is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivable. Bad debts, if any, are written off when considered irrecoverable.

4.5 Employee benefits

The liabilities relating to defined benefit plans that comprises of Post Retirement Medical Benefits, Pension Fund, UK Pension Fund and Compensated Absences are determined through actuarial valuations using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases, mortality rates, future increase in medical costs and future pension increases. Due to the long-term nature of these benefits, such estimates are subject to uncertainties.

4.6 Frequent Flyer Program

The liability for the Frequent Flyer Program is estimated based on the fair value of award points issued, expected redemption rates, and breakage assumptions. Management reviews historical data and adjusts estimates periodically to reflect changes in customer behaviour, redemption patterns, and program terms.

4.7 Taxation

In making estimate for income tax payable by the Company, the Company takes into account the applicable tax laws. Deferred tax asset is recognised for unused tax losses and available credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which such losses and credits can be utilised. Significant judgement is exercised to determine the amount of deferred tax asset / liability to be recognised.

4.8 Provision for cost of redelivery of aircraft and engines

The Company has several operating leases for its aircraft and engines that include certain maintenance cost to be incurred at the time of redelivery of asset at the end of the lease term. The amount of maintenance cost is discounted at the incremental borrowing rate and accounted for as a deferred liability in these financial statements. Significant assumptions and estimates are used to determine the amount of the maintenance cost that will be incurred by the Company at the time of redelivery of the asset under these arrangements.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

5.1 Property, plant and equipment

Leasehold land and buildings thereon are initially recognised at cost and are subsequently measured at revalued amounts, which are the fair values at the date of revaluation, less accumulated depreciation and impairment losses, if any.

Other items of property, plant and equipment including aircraft fleet are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Aircraft and related equipment acquired on an exchange basis are stated at amounts paid plus fair value of the asset traded-in.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalised and the asset so replaced is derecognised.

Major renewals, improvements and overhauls are capitalised and depreciated over the period to the next major overhaul. All other repairs and maintenance including cost incurred under contracts are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to the statement of profit or loss, applying the straight-line method at the rates mentioned in note 6. Whereby, the cost or revalued amount of assets, less their residual values, is written down over their expected useful lives.

In respect of additions and disposals of assets, depreciation is charged from the month in which the asset is available for use until it is derecognised, i.e. up to the month preceding the disposal.

Useful lives (except for buildings at revaluation model) are determined by the management, based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence and other similar factors. The useful lives of buildings at revaluation model are determined by the management based on the appraisal of an independent valuer. The residual value of assets, useful lives and methods of depreciation are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

When revalued assets are sold or retired from operation, the relevant remaining surplus is transferred to retained earnings, respectively.

Right of use assets

The Company mainly leases aircraft, 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. A contract is, or contains, a lease if 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 individual basis and contain a wide range of different terms and conditions. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease as contained in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 subsequently depreciated on a straight line method over the lease term at the rates mentioned in note 6 as this method most closely reflects the expected pattern of consumption of future economic benefits. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including insubstance 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 under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early;
- less any lease incentives receivable.

The extension and termination options are included 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's 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-of-use asset, or is recorded in statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any, and consist of expenditure incurred and advances made in respect of assets in the course of their acquisition, construction and installation. The assets are transferred to relevant category of property, plant and equipment when they are available for intended use.

5.2 Surplus on revaluation of property, plant and equipment

Surplus on revaluation of land and buildings is recognised in statement of comprehensive income as surplus on revaluation of property, plant and equipment which is presented as separate component within equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value.

Cost / revalued amount at the date of the revaluation is adjusted / eliminated against the gross carrying amount of the asset and the net amount is added to the revalued amount of the asset. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to retained earnings.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in statement of comprehensive income and accumulated in equity under the heading of revaluation surplus. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss. However, the decrease is recognised in the statement of comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in the statement of comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in the statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss. The revaluation reserve is not available for distribution to Company's shareholders.

5.3 Investment property

Property held for rental earning or capital appreciation or both, is classified as investment property.

Investment property are measured initially at cost, including related transaction costs directly attributable to acquisition. After initial recognition at cost, investment property are carried at their fair values based on market value determined by professional independent valuers on a continuing basis. Fair values are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. Gain or loss arising as a result of fair valuation is recorded to statement of profit or loss.

5.4 Intangibles

Intangible assets are measured on initial recognition at cost. Costs that are directly associated with identifiable software products / licenses controlled by the Company and that have probable economic benefit beyond one year are recognised as intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is derecognised.

5.5 Stores and spares

These are stated at lower of cost and net realisable value, less impairment, if any. Goods-in-transit are valued at cost plus other charges incurred thereon. Cost is determined as follows:

Fuel and medical inventories	first-in-first-out basis
Other stores and spares	moving weighted average cost

Provision against slow moving stores and spares is made in proportion to the estimated utilised life of the relevant category of the aircraft attained up to the reporting date.

5.6 Trade debts and other receivables

These are recognised initially at fair value (original invoice / ticket amount) plus directly attributable transaction costs (if any) and subsequently measured at amortised cost less provision for impairment. Impairment of trade debts and other receivables is described in 5.18.

5.7 Cash and cash equivalents

Cash and cash equivalent comprises of cash in hand, bank balances and short term borrowings.

5.8 Trade and other payables

Liabilities for trade creditors and other amounts payable are recognised initially at fair value plus directly attributable transaction cost, if any, and subsequently measured at amortised cost.

5.9 Loans and borrowings

Loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs, if any. Subsequently, these are measured at amortised cost using the effective interest method.

5.10 Employee benefits / Contribution plans

Provident fund

The Company operates a defined contribution provident fund scheme for all its permanent employees. Equal monthly contributions are required to be made to the fund by the Company and the employees in accordance with the fund's rules. The Company's required contribution to the fund is charged to the statement of profit or loss.

Pension fund

For all the permanent employees, the Company operates a defined benefit pension scheme. Pension scheme is a final salary pension scheme and is invested through three funds namely Pakistan Airline Pilot Association (PALPA), Flight Engineering Association (FENA) and Employees' Pension Funds. Under the PALPA and FENA pension fund, employees are entitled to basic salary and flight allowance whereas under Employees' Pension Fund, employees are entitled to basic salary and certain other allowances.

For UK based permanent employees, the Company established a pension fund in 1986. However, in 2000 the fund was suspended and no new employee has been made a member since then.

Actuarial valuation is carried out annually. Net interest expense, current service cost and any past service cost are recognised in statement of profit or loss whereas any actuarial gains / losses are recognised immediately in statement of comprehensive income.

Post-retirement medical benefits

The Company operates an unfunded defined benefit medical scheme and provides medical allowances and free hospitalization benefits to all its retired employees and their spouses in accordance with their service regulations. The post-retirement medical benefit is accounted for on the basis of actuarial valuation that is carried out annually. Net interest expense, current service cost and any past service cost are recognised in statement of profit or loss and any actuarial gains / (losses) are recognised immediately in statement of comprehensive income.

Compensated absences

The Company accounts for all accumulated compensated absences when the employees render service that increases their entitlement to future compensated absences on the basis of actuarial valuation that is carried out annually.

5.11 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (ITO).

Pursuant to the release of circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Minimum Tax

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37. The change has been applied retrospectively resulting in reclassification in the profit and loss account as stated below. The change does not have any material impact on the statement of financial position, statement of comprehensive income and the statement of changes in equity.

	For the year ended December 31, 2023		
	As previously reported	Reclassification	As restated
	(Rupees in '000)		
Effect on profit or loss			
Minimum tax classified as levy	-	1,784,121	1,784,121
Loss before income tax	(101,491,023)	(103,275,144)	(1,784,121)
Loss after income tax	(104,500,598)	(104,500,598)	-

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no Ionger probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

5.12 Revenue recognition

	Type of product / service	Nature, timing of satisfaction of performance obligations, significant payment terms
a.	Passenger	Revenue from passenger services includes air transportation services provided to the passengers. Coupon/sector on a ticket are considered to be a single performance obligation. The value of a coupon/sector on a ticket is considered to be transaction price in accordance with IFRS 15. Passenger revenue is recognized when the transportation service is provided. The value of unused tickets is included in current liabilities as 'advance against transportation (unearned revenue)' until recognized as revenue.
b.	Cargo	Cargo revenue is recognized when the transportation service is provided. The value of unused airway bills generated is included in current liabilities as 'advance against transportation (unearned Revenue)' until recognized as revenue.
c.	Excess Baggage	This revenue is generated when passengers pay additional charges for carrying more than their allotted weight of luggage. The revenue is recognised at the point in time when the passengers pay the charges.
d.	Charter Services	The charter revenue is generated on booking of entire plane by a customer. Revenue is recognised at the point of time when the services are provided to the customers.
e.	Engineering Services	Revenue from engineering services include revenue generated from engineering and technical services provided by the Company. Revenue is recognised at the point when the services are rendered.
f.	Cancellation Charges	Cancellation charges include revenue from charges deducted when a ticket is refunded by the customer. At the time of refund, the amount deducted at that time is recognised as revenue.

g.	Expired Tickets	Expired tickets revenue represents revenue earned on expiry of ticket on the unutilized period of last 12 months. Passenger tickets issued 12 months ago or earlier (if not extended) and are not utilized for transportation, are considered as expired tickets and unearned revenue relating to these expired tickets are recognised as revenue.
h.	Others	Others include revenue generated from other miscellaneous services provided by the Company. Revenue is recognized at the point when such services are rendered.

5.13 Frequent flyer programme revenue

The Company operates loyalty programme. The airline's 'frequent flyer programme' allows frequent travellers to accumulate travel miles that entitle them to a choice of various awards, primarily free travel. The fair value attributed to the awarded mileage credits is deferred as a liability and recognised as revenue on redemption of the award credit miles by the participants to whom the award credit miles are issued, when the miles expire or when they are not expected to be redeemed.

In addition, award credit miles are sold to a commercial partner to use in promotional activity. The fair value of the miles sold is deferred and recognised as revenue on redemption of the award credit miles by the participants to whom the award credit miles are issued. The cost of redemption of award credit miles is recognised when award credit miles are redeemed.

5.14 Borrowing costs

The Company recognises the borrowing costs as an expense in the period in which these costs are incurred, except the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

5.15 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

5.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

Subsequent measurement

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to statement of profit or loss.

b) Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through statement of profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate (EIR) method.

c) Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5.18 Impairment

a) Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

b) Impairment of Non financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

5.19 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates approximating those ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates using the average spot rate on the reporting date. Gains and losses on translation are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items, measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value was determined.

5.20 Earning Per Share

The Company presents basic and diluted earnings / (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.21 Dividend and reserves

Dividend and appropriation to / from reserves are recorded when approved. However, if these are approved after the reporting date but before the financial statements are authorised for issue, they are disclosed in notes to these financial statements.

	Note	December 31, 2024	December 31, 2023
		-------- (Rupees in '000) --------	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Owned	6.1	74,237,607	72,522,253
Right of use asset	6.2	19,175,434	24,791,911
Capital work-in-progress	6.4	386,255	574,651
		93,799,296	97,888,815

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6.1 **Operating fixed assets - owned**

	December 31, 2024												
	Land		Buildings on:		Workshops and hangars	Aircraft fleet (Note 6.1.2)	Equipment	Engineering equipment and tools	Vehicles	Furniture, fixtures and fittings	Computer and office automation	Capital spares	Total
	Leasehold (note 6.1.2)	Others	Leasehold land (note 6.1.2)	Other land									
	(Rupees in '000)												
As at January 01, 2024													
Cost or revalued amount	15,763,178	29,896	13,853,387	2,326,543	1,241,589	125,469,690	5,691,414	2,103,987	3,131,939	1,113,485	2,289,033	8,363,257	181,377,398
Accumulated depreciation	-	-	(10,456,042)	(1,683,169)	(963,166)	(79,162,003)	(3,553,439)	(1,953,854)	(2,975,075)	(973,609)	(2,131,965)	(5,002,824)	(108,855,146)
Net book value	15,763,178	29,896	3,397,345	643,374	278,423	46,307,687	2,137,975	150,133	156,864	139,876	157,068	3,360,433	72,522,252
Year ended December 31, 2024													
Opening net book value	15,763,178	29,896	3,397,345	643,374	278,423	46,307,687	2,137,975	150,133	156,864	139,876	157,068	3,360,433	72,522,252
Additions - at cost	-	-	-	118	-	782,873	38,190	17,770	301,058	7,427	41,581	783,417	1,972,435
Transfers from CWIP	-	-	-	-	-	-	9,790	8,063	-	-	3,885	-	21,738
	-	-	-	118	-	782,873	47,980	25,833	301,058	7,427	45,466	783,417	1,994,173
Revaluation during the year													
Revalued amount	12,331,862	-	155,158	-	-	-	-	-	-	-	-	-	12,487,020
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
	12,331,862	-	155,158	-	-	-	-	-	-	-	-	-	12,487,020
Transfers during the year													
Cost or revalued amount	20,318	(20,318)	2,289,600	(2,289,600)	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(1,672,842)	1,672,842	-	-	-	-	-	-	-	-	-
	20,318	(20,318)	616,758	(616,758)	-	-	-	-	-	-	-	-	-
Disposals during the year													
Cost or revalued amount	-	-	-	1,573	-	-	129	-	8,960	1,110	645	-	12,417
Accumulated depreciation	-	-	-	(1,573)	-	-	(129)	-	(8,960)	(1,110)	(645)	-	(12,417)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	(212,936)		(24,152)	(4,201,909)	(263,265)	(48,899)	(81,198)	(23,402)	(53,025)	(325,167)	(5,233,953)
Closing net book value	28,115,358	9,578	3,956,207	26,852	254,271	42,888,651	1,922,690	127,067	376,725	123,901	149,509	3,818,683	81,769,492
As at December 31, 2024													
Cost or revalued amount	28,115,358	9,578	16,298,027	38,752	1,241,589	126,252,563	5,739,523	2,129,820	3,441,957	1,122,022	2,335,144	9,146,674	195,871,008
Accumulated depreciation	-	-	(12,341,820)	(11,900)	(987,318)	(83,363,912)	(3,816,833)	(2,002,753)	(3,065,233)	(998,121)	(2,185,635)	(5,327,991)	(114,101,516)
	28,115,358	9,578	3,956,207	26,852	254,271	42,888,651	1,922,690	127,067	376,724	123,901	149,509	3,818,683	81,769,492
Transferred to the Holding company (Note 1.3)													
Cost or revalued amount	(5,589,900)	(9,578)	(6,754,846)	(38,752)	(411,708)	-	(888,764)	(45,298)	(28,442)	(67,179)	(10,687)	-	(13,845,154)
Accumulated depreciation	-	-	4,994,066	11,900	290,516	-	883,806	41,371	28,298	52,748	10,564	-	6,313,269
	(5,589,900)	(9,578)	(1,760,780)	(26,852)	(121,192)	-	(4,958)	(3,927)	(144)	(14,431)	(123)	-	(7,531,885)
Net book value	22,525,458	-	2,195,427	-	133,079	42,888,651	1,917,732	123,140	376,580	109,470	149,386	3,818,683	74,237,607
Annual depreciation rate (%)	-	-	2 - 25	2 - 20	5	3.33 - 10	5 - 10	10 - 20	10 - 25	10	5 - 20	3.33 - 10	

6.1.1 Aircraft fleet includes three engines (03) (2023: five (05) engines) held by a third party for overhauling purpose as at December 31, 2024. The carrying value of these engines at year end is Rs. 192.062 million (2023: Rs. 2,155.642 million)

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	December 31,2023												
	Land		Buildings on:		Workshops and hangars	Aircraft fleet (note 6.1.2)	Equipment	Engineering equipment and tools	Vehicles	Furniture, fixtures and fittings	Computer and office automation	Capital spares	Total
	Leasehold (note 6.1.2)	Others	Leasehold land (note 6.1.2)	Other land									
	(Rupees in '000)												
As at January 01, 2023													
Cost or revalued amount	1,588,452	29,896	12,499,886	2,194,875	1,241,589	124,670,943	5,631,388	2,078,083	3,134,415	1,080,725	2,221,156	8,088,133	171,459,541
Accumulated depreciation	-	-	(10,353,548)	(1,571,904)	(912,119)	(73,471,782)	(3,292,422)	(1,906,198)	(2,931,367)	(949,651)	(2,070,928)	(4,802,571)	(102,262,490)
Net book value	1,588,452	29,896	2,146,338	622,971	329,470	51,199,161	2,338,966	171,885	203,048	131,074	150,228	3,285,562	69,197,051
Year ended December 31, 2023													
Opening net book value	1,588,452	29,896	2,146,338	622,971	329,470	51,199,161	2,338,966	171,885	203,048	131,074	150,228	3,285,562	69,197,051
Additions - at cost	12,892	-	-	33,025	-	798,747	36,633	22,152	-	15,439	56,524	275,124	1,250,537
Transfers from CWIP	-	-	-	98,643	-		23,492	3,752	-	17,825	13,067	-	156,779
	12,892	-	-	131,668	-	798,747	60,125	25,904	-	33,264	69,591	275,124	1,407,316
Revaluation during the year													
Revalued amount	7,161,834	-	1,353,501	-	-	-	-	-	-	-	-	-	8,515,335
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
	7,161,834	-	1,353,501	-	-	-	-	-	-	-	-	-	8,515,335
Transfers during the year													
Cost or revalued amount	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year													
Cost or revalued amount	-	-	-	-	-	-	(99)	-	(2,476)	(504)	(1,714)	-	(4,793)
Accumulated depreciation	-	-	-	-	-	-	99	-	2,476	504	1,481	-	4,560
	-	-	-	-	-	-	-	-	(0)	-	(233)	-	(233)
Depreciation charge for the year	-	-	(102,494)	(111,265)	(51,047)	(5,690,221)	(261,116)	(47,656)	(46,184)	(24,462)	(62,518)	(200,253)	(6,597,216)
Closing net book value	11,763,178	29,896	3,397,345	643,374	278,423	46,307,687	2,137,975	150,133	156,864	139,876	157,068	3,360,433	72,522,253
As at December 31, 2023													
Cost or revalued amount	11,763,178	29,896	13,853,387	2,326,543	1,241,589	125,469,690	5,691,414	2,103,987	3,131,939	1,113,485	2,289,033	8,363,257	181,377,399
Accumulated depreciation	-	-	(10,456,042)	(1,683,169)	(963,166)	(79,162,003)	(3,553,439)	(1,953,854)	(2,975,075)	(973,609)	(2,131,965)	(5,002,824)	(108,855,146)
Net book value	11,763,178	29,896	3,397,345	643,374	278,423	46,307,687	2,137,975	150,133	156,864	139,876	157,068	3,360,433	72,522,253
Annual depreciation rate (%)	-	-	2 - 2.5	2 - 20	5	3.33 - 100	5 - 10	10 - 20	10 - 25	10	5 - 10	3.33 - 100	

6.1.2 Revaluation of leasehold land and buildings on leasehold land was last carried out as at December 31, 2024 by independent professional valuers namely RBS Associates (PVT) LTD, 123 Makelaar, Taraqqiyot va biznesbaholash and COSMOS developers (PVT) LTD which resulted in additional surplus net of tax of Rs. 12,487.020 million. The fair values of leasehold land and buildings on leasehold land were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of leasehold land and building on leasehold land falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

6.1.3 The forced sales value of land and buildings amounted to Rs. 18,792.287 million.

6.1.4 Had there been no revaluation, the written down value of the revalued assets in the statement of financial position would have been as follows:

	December 31, 2024			December 31, 2023		
	Cost	Accumulated Depreciation	Book value	Cost	Accumulated Depreciation	Book value
	---------- (Rupees in '000) ----------			---------- (Rupees in '000) ----------		
Leasehold land	19,790	-	19,790	19,790	-	19,790
Buildings on lease hold land	218,532	162,750	55,782	218,532	157,287	61,245
	238,322	162,750	75,572	238,322	157,287	81,035

	Note	Aircraft fleet including engines	Buildings	Technical ground equipment	Total
		(Rupees in '000)			
6.2 Right of use assets					
As at January 01, 2024					
Cost		54,674,074	2,179,969	8,473	56,862,516
Accumulated depreciation		(30,211,015)	(1,853,411)	(6,179)	(32,070,605)
Net book value		24,463,059	326,558	2,294	24,791,911
Year ended December 31, 2023					
Opening net book value		24,463,059	326,558	2,294	24,791,911
Additions during the year					
Additions in Right of use asset		-	1,383,003	-	1,383,003
Depreciation charge for the year		(6,448,188)	(549,173)	(2,119)	(6,999,480)
Closing net book value		18,014,871	1,160,388	175	19,175,434
As at December 31, 2024					
Cost		54,674,074	3,562,972	8,473	58,245,519
Accumulated depreciation		(36,659,203)	(2,402,584)	(8,298)	(39,070,085)
Net book value		18,014,871	1,160,388	175	19,175,434
As at January 01, 2023					
Cost		46,005,433	1,965,336	8,473	47,979,242
Accumulated depreciation		(23,449,969)	(1,517,750)	(4,060)	(24,971,779)
Net book value		22,555,464	447,586	4,413	23,007,463
Year ended December 31, 2023					
Opening net book value		22,555,464	447,586	4,413	23,007,463
Additions during the year					
Additions in Right of use asset		8,741,347	214,633	-	8,955,980
Termination of lease					
Cost		(2,029,966)	-	-	(2,029,966)
Accumulated depreciation		1,957,260	-	-	1,957,260
		(72,706)			(72,706)
Depreciation charge for the year		(6,761,046)	(335,661)	(2,119)	(7,098,826)
Closing net book value		24,463,059	326,558	2,294	24,791,911
Annual depreciation rate (%)		6.25 - 15	4.7 - 33.33	10	

	December 31, 2024	December 31, 2023
	(Rupees in '000)	

6.3 Depreciation charge for the year has been allocated as under:

Cost of services - others	12,199,617	13,662,516
Distribution costs	13,202	13,224
Administrative expenses	20,615	20,297
	12,233,434	13,696,037

6.4 Capital work-in-progress

	Aircraft fleet including engines	Others	Total
	(Rupees in '000)		
Year ended December 31, 2024			
Balance at beginning of the year	285,245	289,406	574,651
Additions during the year	-	201,762	201,762
Transfer to operating fixed assets	-	(21,738)	(21,738)
Write off during the year	(285,245)	(8,758)	(294,003)
	-	460,672	460,674
Transfer to Holding Company	-	(74,419)	(74,419)
Balance at end of the year	-	386,253	386,255
Year ended December 31, 2023			
Balance at beginning of the year	285,245	109,678	394,923
Additions during the year	-	361,033	361,033
Transfer to operating fixed assets	-	(156,779)	(156,779)
Write off during the year	-	(24,526)	(24,526)
Balance at end of the year	285,245	289,406	574,651

7 INVESTMENT PROPERTY

	Land	Building	Total
	(Rupees in '000)		
Year ended December 31, 2024			
Balance at beginning of the year	2,219,209	709,342	2,928,551
Gain on revaluation during the year	15,481	26,918	42,400
	2,234,690	736,260	2,970,955
Transfer to Holding Company	(2,041,686)	(290,342)	(2,332,028)
Balance at end of the year	193,004	445,918	638,926
Year ended December 31, 2023			
Balance at beginning of the year	2,208,275	519,307	2,727,582
Gain on revaluation during the year	10,934	190,035	200,969
Balance at end of the year	2,219,209	709,342	2,928,551

7.1 The fair valuation of the investment properties as at December 31, 2024 were performed by independent valuer namely 123 Makelaar and Skyline Appraisals, inc. The fair value was determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

7.2 Forced sale value of the investment property as of the reporting date is estimated to be Rs. 609.755 million (2023: Rs. 2,451.094 million).

7.3 Rental income earned during the year was Rs. 53.483 million (2023: Rs. 66.637 million).

	Note	December 31, 2024	December 31, 2023
		---------- (Rupees in '000) ----------	
8 INTANGIBLES			
Computer softwares			
Cost	8.1	1,374,849	1,374,849
Accumulated amortisation	8.2	(1,240,744)	(1,158,011)
		134,105	216,838
8.1 Cost			
Opening balance		1,374,849	1,334,438
Additions during the year		-	40,411
Closing balance		1,374,849	1,374,849
8.2 Accumulated amortisation			
Opening balance		1,158,011	1,050,886
Amortisation for the year	8.2.1	82,733	107,125
Closing balance		1,240,744	1,158,011
Useful life		5 years	5 years
8.2.1 Amortisation charge for the year has been allocated as under:			
Cost of services - others	32	6,619	8,570
Administrative expenses	34	76,114	98,555
		82,733	107,125
9 LONG-TERM INVESTMENTS			
Related parties			
Subsidiaries		-	4,415,714
Associate		-	396
		-	4,416,110
Others			
At FVOCI		-	175,184
		-	4,591,294

9.1 During the year, investments amounting to Rs. 4,561 million were transferred to the Holding Company . The investments transferred were an aggregate of investments in Related parties and others at FVOCI amounting to Rs. 4,416 million and 145 million respectively

	December 31, 2024	December 31, 2023
	---------- (Rupees in '000) ----------	
10 LONG-TERM LOAN TO SUBSIDIARIES		
PIA Investments Limited	-	3,136,650
Considered doubtful		
Skyrooms (Private) Limited	-	37,042
Midway House (Private) Limited	-	82,476
	-	119,518
Less: provision for impairment	-	(119,518)
	-	3,136,650
Less: current maturity	-	(784,163)
	-	2,352,487

10.1 During the year, long term loans amounting to Rs. 3,911 million were transferred to the Holding Company

	Note	December 31, 2024	December 31, 2023
		---------- (Rupees in '000) ----------	
11 DEFERRED TAXATION – net			
Deductible temporary differences arising on:			
Unused tax losses		36,046,675	2,162,622
Provisions		9,107,540	13,443,096
Lease liabilities		6,337,433	8,090,150
Unrealized loss on re-measurement of investments at FVOCI		-	24,696
		51,491,648	23,720,564
Taxable temporary difference arising on:			
Accelerated tax depreciation		(13,297,223)	(15,485,546)
Surplus on revaluation of property, plant and Equipment		(1,006,165)	(1,045,364)
Right of use assets		(5,560,875)	(7,189,654)
		(19,864,263)	(23,720,564)
		31,627,384	-
11.1 **Charge for the year**			
Recognised in:			
profit or loss	38	(30,900,010)	(1,225,454)
other comprehensive income		(727,374)	1,225,454
		(31,627,384)	-

11.2 The management of the Company reassessed the deferred tax asset, taking into account, the availability of future taxable profits. Accordingly, the management has undertaken such assessment based on the financial projections of the Company for the next 5 years. These projections involve certain key assumptions underlying the estimation of future taxable profits and any significant change in these assumptions may have an effect on the releasability of the deferred tax asset. However, the management believes it is probable that the Company will be able to achieve the profits projected in the financial projections and consequently, deferred tax asset will be realized in future years.

11.3 Further, in view of its accounting policy, the Company has not recognised deferred tax asset amounting to Rs. 107,590.810 million on unused tax losses and unabsorbed tax depreciation amounting to Rs 181,677.158 million and Rs. 189,325.436 million respectively as of 31 December 2024.

	Note	December 31, 2024	December 31, 2023
		---------- (Rupees in '000) ----------	
12 LONG-TERM DEPOSITS			
Considered good			
Aircraft fleet lease deposits		5,480,249	5,406,984
Other		1,055,973	384,428
		6,536,222	5,791,412
Considered doubtful		357,877	357,877
		6,894,099	6,149,289
Less: provision for impairment		(357,877)	(357,877)
		6,536,222	5,791,412
13 STORES AND SPARES			
Stores		804,092	1,141,410
Spare parts		9,713,749	8,914,051
		10,517,841	10,055,461
Provision for slow and obsolete spares	13.1	(6,280,258)	(6,055,922)
		4,237,583	3,999,539
13.1 Movement in provision is as follows:			
Balance at beginning of the year		6,055,922	5,921,700
Provision charged during the year	35	224,336	134,222
Balance at end of the year		6,280,258	6,055,922
14 TRADE DEBTS			
Considered good			
Due from Government		1,327,106	2,204,321
Due from other customers		11,020,814	13,538,964
		12,347,920	15,743,285
Considered doubtful			
Government related		239,902	2,989,299
Other customers		884,144	4,468,195
		1,124,046	7,457,494
Less: allowance for ECL	14.1	(1,124,043)	(7,457,494)
		12,347,923	15,743,285

	Note	December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
14.1 Movement in provision is as follows:			
Balance at the beginning of the year		7,457,494	5,070,547
Provision charged during the year	35	311,437	2,386,947
Written off during the year		(477,706)	-
		7,291,225	7,457,494
Transfer to Holding company	1.4	(6,167,182)	-
Balance at the end of the year		1,124,043	7,457,494

14.2 The aging analysis of trade debts is as follows:

	2024					
	Government			Other customers		
	Trade debts considered good	Impaired	Total	Trade debts considered good	Impaired	Total
	---------- (Rupees in '000) ----------					
Current	309,863	-	309,863	9,912,317	144,679	10,056,996
Overdue less than or equal to 90 days	430,148	-	430,148	693,945	56,533	750,478
More than 90 days past due	497,735	-	497,735	338,414	133,450	471,864
More than 180 days past due	89,360	206,971	296,331	64,545	308,163	372,708
More than 360 days past due	-	32,931	32,931	11,592	241,320	252,912
	1,327,106	239,902	1,567,008	11,020,814	884,144	11,904,958

	2023					
	Government			Other customers		
	Trade debts considered good	Impaired	Total	Trade debts considered good	Impaired	Total
	---------- (Rupees in '000) ----------					
Current	236,728	47,103	283,831	10,773,000	407,521	11,180,521
Overdue less than or equal to 90 days	492,666	99,418	592,084	2,042,364	286,740	2,329,104
More than 90 days past due	692,570	166,617	859,187	407,377	153,420	560,797
More than 180 days past due	782,357	245,726	1,028,083	316,223	662,145	978,368
More than 360 days past due	-	2,430,435	2,430,435	-	2,958,369	2,958,369
	2,204,321	2,989,299	5,193,620	13,538,964	4,468,195	18,007,159

14.3 Maximum aggregate gross amount due from Government at the end of any month end was Rs.5,242.359 million (2023: Rs. 5,618.125 million).

15 ADVANCES	Note	December 31, 2024	December 31, 2023
		-------- (Rupees in '000) --------	
Considered good			
Lease rentals		2,537,516	2,803,596
Suppliers		4,513,923	3,899,836
Others	15.1	138,379	127,961
		7,189,818	6,831,393
Considered doubtful	15.2	994,726	994,726
		8,184,544	7,826,119
Less: provision for impairment		(994,726)	(994,726)
		7,189,818	6,831,393

15.1 These include advances of Rs. 10.46 million (2023: Rs. 22.811 million) paid to key management personnel.

15.2 This includes Rs. 174.146 million (2023: Rs. 174.146 million) advanced to Skyrooms (Private) Limited, a related party. Maximum aggregate gross amount due at the end of any month was Rs.174.146 million.

16 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	Note	December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
Trade deposits			
Considered good		4,198,472	5,934,870
Considered doubtful		43,707	43,707
Less: provision for impairment		(43,707)	(43,707)
		-	-
Prepayments		91,960	185,570
		4,290,432	6,120,440

17 OTHER RECEIVABLES			
Considered good			
Related parties			
Sales tax receivable	17.1	5,726,633	5,139,368
Accrued markup on loan to PIA Investments Limited		-	1,225,706
Receivable from PIA Holding Company Limited	17.2	12,127,956	-
Receivable from Government of Pakistan		93,697	1,021,127
		17,948,285	7,386,201
Others		190,489	123,236
		18,138,774	7,509,437
Considered doubtful		567,157	1,009,508
Less: allowance for ECL	17.4	(567,157)	(1,009,508)
		-	-
		18,138,774	7,509,437

17.1 This includes unadjusted portion of input tax under Sales Tax Act, 1990 (the Act) amounting to Rs. 4,745 million. The Company has filed application for refunds of input sales tax up to December 31, 2011. In response, ACIR, Large Taxpayers Unit (LTU) through a letter has interalia stated that as the Company is engaged in both domestic and international air travel, therefore, input tax paid is adjustable only against the domestic air travel services as no input tax adjustment is allowed against the international air travel services in terms of Rule 41A(14) of the Federal Excise Rules, 2005. However, the Company 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 such under the Act. The management has represented its view to the tax authorities and in view of tax advice expects a full recovery of the above amount .

17.2 It represents an amount in respect of principal and mark-up payments post December 31, 2023 on borrowings deducted by the financiers of the Company. In terms of the SOA this has been recognized as a receivable from the Holding Cpmpany.It also includes the payments of expenses such as PEC expenses, pension and medical expenses of employees transferred to PIA Holding company.

17.3 The maximum aggregate amount due from related parties at the end of any month during the period were as follows;

	Note	December 31, 2024	December 31, 2023
		------- (Rupees in '000) -------	
Government of Pakistan		191,922	1,315,309
Federal Board of Revenue		4,745,000	5,139,368
PIA Investments Limited		70,191	1,225,706
PIA Holding Company Limited		12,127,956	-

17.4 Movement in provision is as follows:

Balance at beginning of the year		1,009,508	930,679
Provision made during the year	35	4,985	78,829
Less: transfer to Holding Company		(447,336)	-
Balance at end of the year		567,157	1,009,508

18 CASH AND BANK BALANCES

Cash			
In hand		655	785
With banks:			
- in current accounts		5,635,331	3,772,987
- in deposit accounts	18.1	2,711,209	373,752
		8,346,540	4,146,739
		8,347,195	4,147,524

18.1 These carry interest ranging from 1% to 19.5% (2023: 1% to 19.5%) per annum.

19 SHARE CAPITAL

	----------December 31, 2024----------	
	(No. of shares)	(Rupees in '000)
Authorised capital		
Ordinary shares of Rs. 10 each	5,400,000,000	54,000,000
Issued, subscribed and paid up share capital		
Ordinary shares of Rs. 10 each	5,234,511,117	52,345,110

	----------December 31, 2023----------	
	(No. of shares)	(Rupees in '000)
Authorised capital		
Ordinary share capital		
'A' class share of rupees 10 each	5,349,250,000	53,492,500
'B' class share of rupees 05 each	1,500,000	7,500
Preference share of 10 each	50,000,000	500,000
	5,400,750,000	54,000,000
		(Restated)
Issued, subscribed and paid up share capital		
Ordinary shares of Rs. 10 each	5,234,511,117	52,345,110

19.1 As of the reporting date the Holding Company holds the entire shareholding of the Company.

19.2 During the year, the Company has merged its authorized capital as well as issued share capital of A class shares of Rs. 10/- and B class shares of Rs. 5/- to a single class of ordinary shares of Rs. 10/-. This merger is made persuant to the SOA as approved by the Securities and Exchange Commission of Pakistan

	Note	December 31, 2024	December 31, 2023
		------- (Rupees in '000) -------	
20 RESERVES			
Capital reserves			
Reserve for replacement of fixed assets		1,966,779	1,966,779
Capital redemption reserve fund		250,000	250,000
General capital reserve		284,259	284,259
		2,501,038	2,501,038
Revenue reserves			
General reserve		1,779,674	1,779,674
Accumulated loss		(728,116,080)	(754,409,906)
		(726,336,406)	(752,630,232)
Other component of equity			
Unrealised gain on remeasurement of investment at FVOCI		-	197,195
Actuarial loss on defined benefit obligation		(2,745,904)	(11,817,731)
		(2,745,904)	(11,620,536)
Reserve under the scheme	1.4	653,528,375	-
		(73,052,897)	(761,749,730)

20.1 The amounts mentioned in the above note are net amounts after transferring the respectable reserve amounts to the Holding Company, as follows:

	(Rupees in '000)
Accumulated loss	(16,140)
Unrealised gain on remeasurement of investment at FVOCI	166,646
Actuarial loss on defined benefit obligation	8,091,562

		Note	December 31, 2024	December 31, 2023
			--------- (Rupees in '000) ---------	
21	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net**			
	Surplus on revaluation at beginning of the year		20,235,871	11,821,529
	Surplus arising during the year on:			
	Land		12,331,862	7,161,834
	Buildings		155,158	1,353,501
			12,487,020	8,515,335
	Less: transferred to accumulated losses in respect of incremental depreciation charged thereon - net of tax		(104,114)	(100,993)
			32,618,777	20,235,871
	Transfer to Holding Company		(7,350,680)	-
			25,268,097	20,235,871
	Related deferred tax liability			
	Balance at beginning of the year		(1,045,364)	(689,474)
	Tax effect of surplus arising on revaluation of property, plant and equipment during the year		(44,996)	(392,515)
	Tax effect of incremental depreciation charged during the year on related assets transferred to statement of profit or loss		30,193	36,625
	Balance at the end of the year		(1,060,167)	(1,045,364)
	Transfer to Holding company		54,002	-
			(1,006,165)	(1,045,364)
	Surplus on revaluation at end of the year		24,261,933	19,190,507
22	**LONG-TERM FINANCING - Secured**			
	Borrowings	22.1	-	270,582,099
	Sukuk certificates	22.2	-	4,670,052
			-	275,252,151
22.1	**Borrowings**			
	Balance at beginning of the year		332,496,348	343,239,570
	Financing obtained during the year		-	28,306,844
	Repayments made during the year		(9,697,036)	(52,250,339)
	Amortization of arrangement fee		-	83,939
	Exchange loss		(102,746)	11,096,334
			322,696,566	332,496,348
	Less: Current maturity		-	(61,914,249)
			322,696,566	270,582,099
	Transfer to Holding Company	1.4	(322,696,566)	-
	Balance at end of the year		-	270,582,099

		Note	December 31, 2024	December 31, 2023
			--------- (Rupees in '000) ---------	
22.2	Balance at beginning of the year		5,379,427	5,379,427
	Less: Current maturity	29	-	(709,375)
			5,379,427	4,670,052
	Transfer to Holding Company		(5,379,427)	-
	Balance at end of the year		-	4,670,052

		Note	December 31, 2024	December 31, 2023
			----- (Rupees in '000) -----	
23	**LEASE LIABILITIES**			
	Present value of minimum lease payments			
	- Aircraft fleet including engines	23.1	20,492,024	27,499,075
	- Buildings	23.1	1,356,306	389,869
	- Technical ground equipment	23.1	4,888	8,125
			21,853,218	27,897,069
	Less: Current maturity	29	(7,514,488)	(6,969,160)
			14,338,730	20,927,909

23.1 During the year, the movement in lease liabilities is as follows:

	Note	Aircraft fleet including engines	Building	Technical ground equipment	Total
		---------- (Rupees in '000) ----------			
Balance as at beginning of the year		27,499,076	389,869	8,124	27,897,069
Addition during the year		-	1,383,080	-	1,383,080
Adjustments					
Exchange gain		(319,526)	(5,000)	(1,460)	(325,985)
Repayments made during the year		(7,975,650)	(692,846)	(3,069)	(8,671,565)
Interest charged during the year	37	1,288,123	281,203	1,293	1,570,619
Balance at end of the year		20,492,024	1,356,306	4,888	21,853,218

	December 31, 2024			December 31,2023		
	Minimum Lease Payments	Finance cost	Present value of minimum lease payments	Minimum Lease Payments	Finance cost	Present value of minimum lease payments
	---------- (Rupees in '000) ----------					
Not later than one year	8,567,026	1,052,538	7,514,488	8,195,384	1,226,224	6,969,160
Later than one year but not later than five years	15,461,549	1,122,819	14,338,730	21,897,971	1,831,186	20,066,785
Later than five years	-	-	-	874,587	13,462	861,125
	24,028,575	2,175,357	21,853,218	30,967,942	3,070,872	27,897,070

		Note	December 31, 2024	December 31, 2023
			----- (Rupees in '000) -----	
24	**LONG-TERM ADVANCE FROM SUBSIDIARIES**			
	PIAIL		-	11,298,062
	Sabre Travel Network Pakistan (Private) Limited		-	175,000
			-	11,473,062

24.1 During the year, the long term advances from subsidiaries amounting to Rs. 11,345 million was transferred to the Holding Company.

	Note	December 31, 2024	December 31, 2023
		------- (Rupees in '000) -------	
25 DEFERRED LIABILITIES			
Post retirement medical benefits	25.2	4,382,704	16,478,993
Pension funds' obligation	25.3	14,876,091	34,518,083
UK pension funds' obligation	25.4	(256,342)	(63,455)
Provision for redelivery cost	25.5	8,374,943	8,195,926
		27,377,396	59,129,547

25.1 General description of the type of defined benefit plans and accounting policy for remeasurement of the net defined benefit obligation / asset is disclosed in note 5.10 to these financial statements.

	Note	December 31, 2024	December 31, 2023
		------- (Rupees in '000) -------	
25.2 Post retirement medical benefits			
Liability recognised in the statement of financial position			
Present value of defined benefit obligation		4,382,704	16,478,993
Movement in liability during the year			
Balance at beginning of the year		16,478,993	10,729,735
Expense recognised in statement of profit or loss	25.2.1	1,364,868	1,538,127
Total remeasurements recognised in other comprehensive Income / (loss)	25.2.2	2,620,318	5,464,786
Payments made during the year		(439,552)	(1,253,655)
		20,024,627	16,478,993
Transfer to Holding Company	1.4	(15,641,923)	-
Balance at end of the year		4,382,704	16,478,993
25.2.1 Expense recognised in statement of profit or loss			
Current service cost		140,507	73,206
Interest cost		1,224,361	1,464,921
Net actuarial loss recognised		1,364,868	1,538,127
25.2.2 Total remeasurements recognised in Other Comprehensive Income / (loss)			
Actuarial loss on liability arising on			
- financial assumptions		(259,973)	1,731,610
- experience adjustments		2,880,291	3,733,176
		2,620,318	5,464,786

25.3 Pension obligation

The details of three different categories of plans are as follows:

	PALPA		FENA		MAIN PENSION		TOTAL	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)							
Liability / (Asset) recognised								
Present value of defined benefit obligation	493,869	2,445,113	-	465,380	15,039,511	32,162,726	15,533,380	35,073,219
Fair value of plan assets	(2,271,680)	(1,679,311)	(1,023,375)	(954,231)	2,637,766	2,078,405	(657,289)	(555,137)
	(1,777,811)	765,802	(1,023,375)	(488,851)	17,677,277	34,241,131	14,876,091	34,518,082
Movement in liability / (asset) during the year								
Opening liability / (asset)	765,802	814,097	(488,851)	(478,009)	34,241,131	29,110,885	34,518,082	29,446,973
Expense / (income) recognised in profit or loss	(75,363)	137,974	(122,188)	(69,312)	4,129,251	4,749,843	3,931,700	4,818,505
Total remeasurements recognised in other comprehensive income / (loss)								
Employer contributions	(489,929)	(124,070)	45,255	58,470	(2,215,812)	2,446,489	(2,660,486)	2,380,889
Transfer to Holding Company	(27,830)	(62,199)	-	-	(1,265,417)	(2,066,086)	(1,293,247)	(2,128,285)
Closing liability / (asset)	(1,950,491)	-	(457,591)	-	(17,211,876)	-	(19,619,958)	-
	(1,777,811)	765,802	(1,023,375)	(488,851)	17,677,277	34,241,131	14,876,091	34,518,082
Movement in the defined benefit obligation								
Balance at beginning of the year	2,445,113	2,473,776	465,380	477,024	32,162,726	30,025,184	35,073,219	32,975,984
Current service cost	24,286	24,441	-	-	729,833	678,556	754,119	702,997
Past service cost	-	-	-	-	-	-	-	-
Interest cost	172,995	341,845	23,804	69,168	3,069,916	4,212,332	3,266,715	4,623,345
Benefits paid	(27,830)	(232,445)	-	-	(1,265,417)	(1,949,247)	(1,293,247)	(2,181,692)
Transfer to Holding Company	(1,950,491)	-	(457,591)	-	(17,211,876)	-	(19,619,958)	-
Remeasurement due to:								
Actuarial loss / (gain) from changes in financial assumptions	(25,092)	21,362	(2,509)	3,866	(383,276)	432,306	(410,877)	457,534
Experience adjustments	(145,112)	(183,865)	(29,084)	(84,678)	(2,062,395)	(1,236,405)	(2,236,592)	(1,504,948)
Balance at end of the year	493,869	2,445,113	-	465,380	15,039,511	32,162,726	15,533,379	35,073,219
Movement in fair value of plan assets								
Balance at beginning of the year	1,679,311	1,659,679	954,231	955,033	(2,078,405)	914,299	555,137	3,529,011
Interest income	272,644	228,311	145,992	138,480	(329,502)	141,045	89,134	507,836
Employer contributions	27,830	62,199	-	-	1,265,417	2,066,086	1,293,247	2,128,285
Benefits paid	(27,830)	(232,445)	-	-	(1,265,417)	(1,949,247)	(1,293,247)	(2,181,692)
Return on plan assets excluding amount included in interest income	319,725	(38,433)	(76,848)	(139,282)	(229,859)	(3,250,588)	13,018	(3,428,303)
Balance at end of the year	2,271,680	1,679,311	1,023,375	954,231	(2,637,766)	(2,078,405)	657,289	555,137

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	PALPA		FENA		MAIN PENSION		TOTAL	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)							
Expense recognised in statement of profit or loss								
Current service cost	24,286	24,441	-	-	729,833	678,556	754,119	702,997
Net interest expense / (income)	(99,649)	113,534	(122,188)	(69,312)	3,399,418	4,071,287	3,177,581	4,115,509
	(75,363)	137,974	(122,188)	(69,312)	4,129,251	4,749,843	3,931,700	4,818,505
Total remeasurements recognised in other comprehensive income								
Remeasurement on obligation arising on								
financial assumptions	(25,092)	21,362	(2,509)	3,866	(383,276)	432,306	(410,877)	457,534
experience adjustments	(145,112)	(183,865)	(29,084)	(84,678)	(2,062,395)	(1,236,405)	(2,236,591)	(1,504,948)
	(170,204)	(162,503)	(31,593)	(80,812)	(2,445,671)	(804,099)	(2,647,468)	(1,047,414)
Variation on plan assets excluding amount included in interest income	(319,725)	38,433	76,848	139,282	229,859	3,250,588	(13,018)	3,428,303
	(489,929)	(124,070)	45,255	58,470	(2,215,812)	2,446,489	(2,660,486)	2,380,889
The plan assets comprise of:								
Debt instruments	1%	1%	0%	0%	1%	1%	1%	1%
Others including cash and cash equivalents	99%	99%	100%	100%	99%	99%	99%	99%
	100%	100%	100%	100%	100%	100%	100%	100%
Actual return on plan assets	592,369	189,878	69,144	(802)	(559,361)	(3,109,543)	102,152	(2,920,467)

25.3.1 Actuarial valuations of pension funds, post retirement medical benefit scheme and compensated absences (note 25.6) were carried out at December 31, 2024. The valuations have been carried out using Projected Unit Credit method and the following significant actuarial assumptions have been used:

	December 31, 2024	December 31, 2023
	---------- (Percentage) ----------	
Valuation discount rate	12.25%	14.50%
Salary increase rate	11.25%	N/A
Pension indexation rate	6.50%	9.75%
Pre-retirement average cost indexation rate	6.50%	11.25%
Post-retirement average cost indexation rate	6.50%	11.25%
Mortality table	Adjusted SLIC 2001-2005 with one year age set back	Adjusted SLIC 2001-2005 with one year age set back
Withdrawal rates	Age - based	Age - based
Retirement assumption	Age 60	Age 60

25.3.2 Number of employees covered by the various schemes are as follows:

Pension Scheme	---------- (Number) ----------	
Active employees	6,625	7,326
Beneficiaries	249	16,134
Post retirement medical benefit scheme	249	16,134

25.3.3 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

		December 31, 2024									
		Increase / (decrease) in defined benefit obligation of									
		PALPA Fund		FENA Fund		Main Pension Fund		Post Retirement Medical Benefits		Compensated Absences	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)									
Valuation discount rate	1%	441,394,884	556,141,758	-	-	13,549,374,064	16,800,503,029	207,843	1,987,695	(59,225)	1,283,945
Salary increase rate	1%	527,923,400	462,039,624	-	-	16,016,546,570	14,126,863,936	-	-	1,275,234	(61,786)
Medical inflation rate	1%	524,467,244	466,732,220	-	-	15,840,179,479	14,325,505,662	2,012,215	114,355	-	-

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

25.3.4 The employee benefit plans expose the Company to the following risks:

Mortality risk: The risk that the actual mortality rate is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risk: The risk of the investment underperforming and being not sufficient to meet the liabilities.

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk: The risk of higher or lower withdrawal experienced than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

25.3.5 The fair value of plan assets of pension funds includes investment in the Company's shares, amounting to Rs. 263.583 million (2023: Rs. 204.540 million).

25.3.6 The weighted average duration of the benefit obligations as at December 31, 2024 is as follows:

	Years
Post retirement medical benefits	16.5 Years
PALPA fund	11 Years
FENA fund	N/A
Main Pension fund	11 Years
Compensated absences	7 Years

25.3.7 The total expense relating to deferred liabilities has been allocated to cost of services, distribution costs and administrative expenses in the amount of Rs.2,867.701 million (2023: Rs. 2,606.647 million), Rs.1,486.956 million (2023: Rs.1,351.595 million) and Rs. 955.9 million (2023: Rs. 868.882 million) respectively.

25.3.8 **Estimated Expenses to be Charged in Statement of Profit or Loss**

	December 31, 2025
	---- (Rupees in '000) ----
Post Retirement Medical Benefits	
Current service cost	177,034
Interest cost on defined benefit obligation	658,949
Expense chargeable to profit or loss	835,983
Pension Fund	
Current service cost	695,852
Interest cost on defined benefits obligation	1,887,344
Interest income on plan assets	(94,351)
Expense chargeable to profit or loss	2,488,845
UK Pension Fund	
Interest cost on defined benefits obligation	141,631
Interest income on plan assets	(155,969)
Administrative expenses and / or taxes	49,658
Expense chargeable to profit or loss	35,320

		December 31, 2024	December 31, 2023
		-------- (Rupees in '000) --------	
25.4	**UK Pension Obligation**		
	Asset recognised		
	Present value of defined benefit obligation	2,750,967	3,113,969
	Fair value of plan assets	(3,007,309)	(3,177,424)
	statement of financial position asset	(256,342)	(63,455)
	Change in defined benefit obligation		
	Balance at the beginning of the year	3,113,969	2,175,924
	Interest expense	136,553	159,893
	Benefits paid	(251,802)	(276,407)
	Remeasurements:		
	- Actuarial gain from changes in demographic assumptions	(6,286)	(123,325)
	- Actuarial loss from changes in financial assumptions	(160,301)	108,627
	- Experience adjustments	(698)	(26,171)
	Exchange loss	(80,467)	1,095,428
	Present value of defined benefit obligation	2,750,967	3,113,969
	Change in fair value of plan assets		
	Balance at beginning of the year	3,177,424	2,380,012
	Interest income	140,045	153,440
	Cash Flows		
	- Contributions	60,419	62,021
	- Benefit paid	(251,802)	(276,407)
	- Administrative expenses paid	(49,592)	(28,680)
	Return on plan assets (excluding interest income) - OCI	12,922	140,534
	Exchange gain	(82,106)	746,504
	Fair value of plan assets at end of year	3,007,309	3,177,424

	December 31, 2024	December 31, 2023
	-------- (Rupees in '000) --------	
Significant actuarial assumptions		
Weighted average assumptions for defined benefit obligation		
Discount rate	5.40%	4.70%
Price inflation rate (RPI)	3.20%	3.10%
Price inflation rate (CPI)	2.90%	2.75%
Post-retirement mortality assumption	S3PMA/S3PFA 1.25% p.a.	S3PMA/S3PFA 1.25% p.a.
Assumed life expectancy on retirement at age 65		
- Retiring today (member age 65)	20.7 (M) / 23.4 (F)	20.7 (M) / 23.3 (F)
- Retiring in 20 years (member age 45 today)	21.9 (M) / 24.8 (F)	22.0 (M) / 24.8 (F)
- Duration (in years)	9	9
Sensitivity analysis		
Present value of defined benefit obligation		
Discount rate - 25 basis points	2,746,077	3,343,770
Price inflation rate + 25 basis points	2,756,205	3,120,063
Number of employees covered by the scheme:	---------- (Number) ----------	
Vested deferred	14	13
Retirees	84	83
Annuitants	84	83

25.5 Provision of redelivery cost

This amount represents the provision against maintenance / redelivery cost required to be incurred by the Company for returning the aircraft and engines under lease agreements on certain maintenance conditions. Movement in provision is as follows:

	Note	December 31, 2024	December 31, 2023
		-------- (Rupees in '000) --------	
Balance at beginning of the year		8,195,926	6,787,412
Reversal recognised during the year		-	(571,800)
Adjustments			
Exchange (loss) / gain recognised during the year		(96,235)	1,532,189
Interest charged during the year	37	275,252	448,125
		179,017	1,980,314
Balance at the end of the year		8,374,943	8,195,926

		Note	December 31, 2024	December 31, 2023
			-------- (Rupees in '000) --------	
26	**TRADE AND OTHER PAYABLES**			
	Trade creditors			
	Goods	26.2	6,963,597	38,813,493
	Services	26.3	17,296,646	31,229,247
	Airport related charges	26.4	20,695,019	76,444,140
			44,955,262	146,486,880
	Accrued liabilities	26.5	2,550,030	3,248,591
	Advance against transportation (unearned revenue)	26.6	20,025,160	18,113,436
	Obligation for compensated absences	26.7	8,784,307	8,858,188
	Unredeemed frequent flyer liabilities	26.8	457,255	579,859
	Advances from customers		2,919,147	1,588,698
	Employees provident fund	26.9	-	435,879
	Collection on behalf of others	26.10	12,577,684	74,112,037
	Customs, federal excise duty and sales tax		4,566,264	4,837,833
	Federal excise duty - International travel		20,775,639	13,702,130
	Income tax deducted at source		3,496,760	3,905,909
	Short term deposits		483,559	720,847
			121,591,066	276,590,287

26.1 The amounts mentioned in the above note are net amounts after transferring the respective reserve amounts to the Holding Company, as follows:

	-(Rupees in '000)-
Pakistan Civil Aviation Authority	131,793,647
Pakistan State Oil	23,762,400
National Insurance corporation limited	1,135,010
PEC Payables	1,682,012
	158,373,069

26.2 This includes an amount of Rs. 1,487.941 billion (2023: Rs. 25,429.128 million) payable to Pakistan State Oil Company Limited (PSO). Any additional amount over and above already carved out to Hold Co on account of late payment surcharge or any other sum payable would be borne by Hold Co.

26.3 This includes an amount of Rs. 846.910 million (2023: Rs. 120 million) payable to Skyrooms (Private) Limited in respect of manpower services.

26.4 This includes an amount of Rs. 6,852.989 million (2023: Rs. 62,767.341 million) payable to Pakistan Civil Aviation Authority (PCAA) relating to landing, handling, parking and aircraft power supply charges.

26.5 This includes an amount of Rs.30.401 million payable to PIA Holding Company limited relating to Rent and Management fee received by PIACL on behalf of PIA Holding Company.

		December 31, 2024	December 31, 2023
		-------- (Rupees in '000) --------	
26.6	**Advance against transportation (unearned revenue)**		
	Balance at beginning of the year	18,113,436	19,601,459
	Amount received in advance	196,578,669	222,556,701
	Amount recognised as revenue during the year	(194,666,945)	(224,044,724)
	Balance at end of the year	20,025,160	18,113,436
26.7	**Obligation for compensated absences**		
	Balance at beginning of the year	8,858,188	7,551,622
	Expense during the year	228,761	1,385,540
	Benefits paid during the year	(141,601)	(78,974)
	Benefits due but not paid	-	-
	Transfer to Holding Company	(161,041)	-
	Balance at end of the year	8,784,307	8,858,188

26.8 The liability for frequent flyer programme is based on the valuation carried out by an independent professional valuer. Significant assumptions include:

- ticket inflation rate at the rate of 12.34% (2023: 16.5 %);
- discount rate at the rate of 12.34% (2023: 16.5 %);
- expiry of unavailed points after three years;
- accumulated points above 11,000 can be used for purchase of tickets. Points lower than 11,000 are valued on aggregate cost of redeemed points; and
- Unavailed points of Ministry do not have any expiry.

26.9 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 Companies Act, 2017 due to the liquidity constraints. Hence, mark-up thereon have been accrued based on the discount rate as announced by the State Bank of Pakistan upto April 19, 2016 and thereafter based on 1 month KIBOR.

26.10 This represents taxes payable at foreign stations and amount payable to civil aviation authorities of foreign countries relating to embarkation, security and infrastructure charges and this includes an amount of Rs. 4,831.804 million (2023: Rs. 62,780.909 million) payable to Pakistan Civil Aviation Authority (PCAA).

		Note	December 31, 2024	December 31, 2023
			-------- (Rupees in '000) --------	
27	**ACCRUED INTEREST**			
	Long-term financing		-	69,194,816
	Short-term borrowings		-	3,325,364
	Provident fund		-	8,798,146
	Loan from PIAIL		-	3,682,533
		27.1	-	85,000,859
27.1	Balance at the beginning of the year		85,000,859	50,002,025
	Interest Charged during the year		8,156,963	79,429,496
	Exchange gain		-	(1,366,563)
	Interest Paid		(222,605)	(43,064,099)
			92,935,217	85,000,859
	Transfer to Holding Company	1.4	(92,935,217)	-
			-	85,000,859
28	**SHORT-TERM BORROWINGS- Secured**			
	Short-term loans	28.1	7,000,000	46,860,000
	Running finance under mark-up arrangements		-	862,791
			7,000,000	47,722,791

28.1 Short-term loans

Financier	Security	Facility amount (million)	Maturity date	Note	December 31, 2024	December 31, 2023
					(Rupees in '000)	
Pakistan Civil Aviation Authority	The finance is secured by way of MoU signed between PCAA and PIACL on bridge financing facility, repayment of which will be a first charge on supplementary grant / technical supplementary grant in favour of PIACL by the GoP.	Rs.10,000	Repayable on demand		7,000,000	17,000,000
					7,000,000	46,860,000

29 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note		
Borrowings	22	-	61,914,249
Sukuk certificates		-	709,375
Lease liabilities	23	7,514,488	6,969,160
		7,514,488	69,592,784

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

Income tax, Sales tax and Federal Excise Duty

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

b) The Company has filed tax returns for tax years up to tax year 2024. The tax returns from tax years 2003 to 2024 have been filed under self assessment scheme. All assessments for tax years 1991 to 2002 have been finalized by the tax department. The minimum tax liability under section 80D of the ITO, 2001 had been levied by the department from assessment year 1991-92 to assessment year 2002-03 after adding 10% of net turnover on estimated basis. The Company had filed appeals against the above demands which had been decided in favor of the Company at ATIR level. The tax department had filed appeal against the decision before Sindh High Court which was decided on certain technical grounds in favor of the Company. Thereafter, the tax department has filed an appeal against the decision of Sindh High Court before Supreme Court which is pending to date.

c) As per Order dated March 13, 2011 a demand of Rs. 898.177 million was raised by the Deputy Commissioner Inland Revenue (DCIR) by issuing an amended order in relation to the tax year 2005. The main contention among others was disallowance of depreciation claimed on leased aircrafts. The Company claimed the depreciation on those aircrafts which were obtained under hire purchase arrangement which has been approved by the Ministry of Finance as a financing arrangement. The tax department did not accept the Company's standing and disallowed depreciation expense as inadmissible. An amount of Rs. 48.235 million was also recovered by FBR in this respect. The Company filed an appeal at CIR (A) level which was decided partially in favor of the Company. Being further aggrieved, the Company has filed appeal at Income Tax Appellate Tribunal (ITAT) level which was decided in favor of Company hence the demand so raised was deleted by ITAT.

Further, the ACIR has issued orders dated June 27, 2012 and June 25, 2013 under section 122 (5A) of the ITO, 2001 in respect of tax years 2006 and 2007 disallowing the depreciation claimed on leased aircraft and other provisions amounting to Rs. 3,480.442 million and Rs. 20,462.797 million, respectively. The Company has filed an appeal to CIR (A) against the said orders. CIR(A) in its Appellate order dated September 10, 2015 disposed off the appeal and maintain partial disallowance of depreciation and deleted other provision amount. The Company has filed an appeal to ATIR against the decision of CIR(A). On January 2nd 2023, ATIR decided the appeal of 2006 in favour of Company, however, the matter of tax year 2007 is still pending at ATIR.

d) ACIR had issued an order dated June 30, 2014 in respect of tax year 2008 on account of disallowance of depreciation on leased aircraft and other provisions amounting to Rs. 18,892.227 million. Subsequently, CIR(A) vide its order dated January 17, 2018 had annulled the ACIR's order as it was time barred. ACIR has filed an appeal before ATIR against the above order.

ACIR has passed an order dated December 19, 2016 under section 124/122 (5A) of the ITO, 2001 in respect of tax year 2009 and raised a demand of Rs. 109.428 million while maintaining the disallowance of depreciation, exchange loss and tax credit amounting to Rs. 17,069.522 million, Rs. 6.030 million and Rs. 168.744 million respectively, demanded in the earlier order dated June 15, 2015. The Company filed an appeal before CIR(A) and CIR(A) vide its order dated February 14, 2018 maintained the disallowance of depreciation, deleted the disallowance of exchange loss and remanded back the short allowed tax credit under various sections. Both the Company and the department have filed appeals before ATIR. On dated April 14, 2022, ATIR has decided the appeal in favour of Company.

ACIR issued an order dated June 30, 2016 under section 122 (5A) of the ITO, 2001 in respect of tax year 2010 and raised a demand of Rs. 143.075 million, disallowing depreciation claimed on leased aircrafts and other provisions amounting to Rs. 12,810 million. The Company filed a rectification application against the above order and ACIR vide its order dated December 12, 2017 maintained the disallowance of depreciation and other provisions but allowed certain tax credits and revised a tax demand of Rs. 109.663 million. The Company filed an appeal before CIR(A) against these above order whereas CIR(A) vide its order dated January 01, 2018 upheld the matter related to disallowance of depreciation and remanded back disallowance of other provisions and tax credits. The Company has filed an appeal before ATIR against the said order.

The CIR(A) disposed off Company's appeal and issue Combined appellate order dated October 30, 2015 through which CIR(A) maintained disallowance depreciation and deleted other provisions. The Company has filed an appeal against the CIR(A) decision at ATIR, however, the matter is still pending for adjudication and the management is confident that this issue will ultimately be decided in favour of the Company. The ACIR issued an order dated June 20, 2015 for tax year 2011 and raised a demand of Rs. 327.535 million by applying 1% minimum tax rate against the Company's contention of 0.5% in addition to disallowing depreciation claimed on leased aircraft and other provisions amounting to Rs. 7,692.992 million. The Company has filed an appeal before CIR(A) against the said orders whereas CIR(A) vide its order dated October 30, 2015 upheld the matter related to minimum tax and disallowance of depreciation and remanded back disallowance of other provisions and tax credits. However, Company on the advise of its tax consultant has made the provision of Rs. 537.657 million being the difference of 0.5% and 1% minimum tax for tax year 2011. Both the Company and the department have filed appeals before ATIR under section 131 of the ITO, 2001 against the order which is pending for hearing.

The ACIR has issued the orders dated June 30, 2018 and January 05, 2017 under section 122(5A) of the ITO, 2001 in respect of tax years 2012 and 2014 and disallowed depreciation on leased aircrafts and other provisions amounting to Rs. 9,725.915 million and Rs. 11,007.920 million respectively. The Company has filed an appeal before CIR(A) against these said orders. Subsequently, CIR(A) issued Appellate order dated December 26, 2019 and February 14, 2018 in respect of tax years 2012 and 2014 respectively and disposed the appeal by deleting the demand of tax years 2014 while maintaining the disallowed depreciation on leased aircrafts and other provisions for tax years 2012 and 2014. The Company has filed an appeal to ATIR against the decision of CIR(A), however, the matter is still pending for adjudication.

However, if the above matters are decided against the Company, it may erode the benefit of tax depreciation, which remains available for an indefinite period, compared to business losses.

e) The tax department has also issued order dated December 31, 2012 under section 161/205 of the ITO, 2001 pertaining to tax year 2011 and raised a demand of Rs. 324.319 million. The Company has filed an appeal against the order before CIR(A) which are pending adjudication.

f) On June 30th, 2022 the DCIR issued an order under section 161/205/182 of the ITO 2001 for the tax year 2016. In the said order the company is considered as an assessee-in-default on adhoc basis without considering the information already provided by the Company and raised the demand of Rs. 18.654 billion and levied a default surcharge of Rs. 14.528 billion and penalty of Rs. 1.865 billion. The Company has filed appeal before CIR(A) which is decided in favour of Company and matter has been remanded back.

g) The tax department had raised demand of Rs. 566.544 million in 1998, as Federal Excise Duty (FED) along with penalty of Rs. 1 million and additional duty of Rs. 2,923.005 million on the contention that the Company had not collected FED on tickets provided to its employees either free of cost or at concessional rates. The Company paid Rs. 100 million against the subject demand which is considered fully recoverable from the tax department. The Company has filed appeal before Appellate Tribunal Inland Revenue (ATIR) which was remanded back to ACIR. However, remand back proceedings are still pending.

h) The tax department had also raised demands of Rs. 6.804 million and Rs. 277.621 million on March 11, 2008 as FED and sales tax respectively along with penalty of Rs. 14.416 million and additional duty / default surcharge of Rs. 17.91 million during the tax audit of the Company for the periods 2004-2005 and 2005-2006. These demands were raised on the issues of late payment of FED, collection of FED at incorrect rate, incorrect apportionment of input tax and failure to collect FED on carriage of goods / mail of Pakistan Post. The Company has paid an amount of Rs. 25 million in this regard which is considered fully recoverable. The Company filed an appeal with the Collector of Customs, Sales Tax and Federal Excise (Appeals), which was decided partially in its favor, partially against it and partially remanded back. The Company and the tax department both have filed appeals at the ATIR which is remanded back however, remand back proceedings are still pending.

i) As per order dated February 25, 2010, the tax department has raised demands of Rs. 2.065 million and Rs. 1,319.101 million as FED and sales tax respectively along with penalty of Rs. 66.058 million and additional duty / default surcharge of Rs. 534.412 million during the tax audit of the Company for the period 2007-2008. These demands were raised mainly on the issues of collection of FED at incorrect rate and incorrect apportionment of input tax. The Company filed appeal at Commissioner Inland Revenue (Appeals) [CIR (A)], which was decided in favor of the tax department. The Company had filed appeal against this at ATIR and a rectification application with CIR (A). The Tribunal has disposed off the Company's appeal, vide appellate order STA No. 08/KB/2011 dated September 26, 2016, remanded back the issues of incorrect rates of FED charged on excess baggage and disallowance of claim of input tax. Further, tribunal has deleted the penalty. The remand back proceedings were initiated by the DCIR vide letter dated June 09, 2021. The said proceedings were concluded by the DCIR on an adhoc basis vide order dated December 12, 2021. Through the said order, the DCIR has maintained the actions taken in order in original 3 of 2010 dated February 25, 2010. An appeal against the order has been filed by the Company at CIR(A) which is pending for hearing.

j) The tax department through orders dated March 06, 2009, December 04, 2010 and May 30, 2011 levied penalties of Rs. 5,877.351 million, Rs. 5,700.220 million and Rs. 7,025.270 million, respectively, on account of delayed payment of sales tax and FED for the tax periods of November to December 2008, January to March 2010 and November 2010 to January 2011, respectively. In addition to this, the tax department levied default surcharge and 5% penalty on the unpaid FED and sales tax amounting to Rs. 38.88 million, Rs. 21.11 million and Rs. 74 million, respectively. The Company filed application for waiver of penalty for the tax period of November to December 2008 before Federal Board of Revenue (FBR) on which the decision is pending.

The CIR(A) deleted the penalties of Rs 5,679.110 million and Rs. 7,025.270 million, respectively, through its order dated September 19, 2011, however, default surcharge and 5% penalty on the unpaid FED and sales tax were maintained. The Company and the tax department have filed appeals with ATIR, which were decided in favor of the Company. Further, for the tax periods of January to March 2010 and November 2010 to January 2011, the Company had filed an application for rectification, which was disposed off by ATIR on July 22, 2016 while maintaining the default surcharge.

On December 31, 2013, the Additional Commissioner Inland Revenue (ACIR) levied penalty of Rs. 4,745.852 million in respect of short payment of sales tax and FED for the tax periods April 2012 to January 2013. In addition, the tax department levied default surcharge on unpaid sales tax and FED amounting to Rs. 400.446 million. The Company filed an appeal against the said orders before CIR (A), which was decided in favour of the department. Subsequently, the Company filed an appeal against this at ATIR level, Tribunal deleted the penalty but maintained default surcharge which was challenged by the Company in Sindh High Court, the decision is pending adjudication.

The ECC communicated its decision through its letter dated July 12, 2013, directing the Company and the FBR to reconcile the outstanding amounts and meanwhile the date for payment of outstanding dues in respect of FED, shall be deemed to be extended till further consideration by the ECC.

k) On February 22, 2016, DCIR issued a show cause notice on the same grounds as involved in sales tax refund (refer note 16.1) which was contested by the Company before the Honorable High Court of Sindh (SHC) and obtained stay order in favor of the Company. Subsequently on November 01, 2016, DCIR issued an order amounting to Rs. 6,747.669 million under Section 11 of the Sales Tax Act, 1990 in respect of tax years 2010, 2011 and 2012 on the contention that the Company has adjusted excess input tax amounting to Rs. 2,603.502 million, Rs. 2,629.350 million and Rs. 1,514.818 million in the returns for tax year 2010, 2011 and 2012 respectively without considering that the matter was in court. Being aggrieved, the Company has filed appeal before CIR(A) against the said DCIR order, which was decided by CIR(A) in favor of the Company through their order dated June 29, 2017 and remanded back the case to DCIR and accordingly, the Company has withdrawn the appeal filed before SHC.

Later, the tax department has issued hearing notice in January 2019 followed by notices on October 24, 2019 and November 07, 2019 for remand back proceedings. The remand back proceedings were re-initiated vide notice dated June 23, 2021. These were concluded by DCIR on an adhoc basis vide order dated November 08, 2021 and passed it on exparte basis. Through the said order, the DCIR has maintained the findings of the order dated November 01, 2016. An appeal has been filed before the CIR(A).

During the year 2017, DCIR passed orders dated September 07, 2016 and raised demand of Rs. 487.118 million for the short payment of Federal Excise Duty along with default surcharge and penalty regarding the services rendered in respect of travel within Pakistan for the tax periods July 2014 to June 2015. The Company filed an appeal with CIR(A) against the DCIR order. CIR(A) vide order dated August 07, 2018 deleted the levy of penalty however maintained levy of default surcharge. The Company has filed an appeal against the CIR(A) order with ATIR.

l) As per order dated October 28, 2020, the tax department has raised demand of Rs. 975.447 million against FED regarding services provided or rendered in respect of air travel by passengers in exempt zone, international cargo, international excess baggage, international meal (Pakistan Post) and chartered flights (UN & Pakistan Army) is recoverable for want of evidence. Additionally, FED is also levied on courier services taxable under the provincial law for want of evidence. An appeal has been filed at CIR(A) against the said order.

m) As per order dated June 07, 2021, the tax department has raised the demand of Rs. 311.866 million along with penalty of Rs. 145.626 million and default surcharge of Rs. 15.639 million against short paid FED on inland carriage of goods by air & chartered flights and short payment of FED on passengers travelled by air based on comparison of data with PCAA. An appeal has been filed before the CIR(A) dated July 08, 2021. The hearing for the case was held on November 19, 2021 and was reserved for order.

n) As per order dated August 12, 2021, the Punjab tax department has raised demand of Rs. 100.455 million against short payment of withholding tax during the tax period January 2017, February 2017 and June 2017 to August 2018. An appeal has been filed against the said order. The hearing for the case has yet to be fixed.

The tax department issued an order dated February 28, 2022 and raised a demand of Rs. 483.576 million along with penalty of Rs. 24.179 million & default surcharge of Rs. 234.658 million pertaining mostly to short payment of Sales tax on services in Islamabad territory for the period January to December 2017. Company has filed an appeal to CIR(A) which is pending.

o) The tax department issued an order dated March 09, 2022 and levied penalty of Rs. 29.879 billion, pertaining to non-filing of sales tax and Federal Excise returns for the period February to April 2017 and February 2020 to January 2021 and short payment of FED. The DCIR passed order on an exparte basis without considering the response of the Company. The Company filed an appeal to CIR(A) against which CIR(A) vide order no. STA/330/LTO/2021/42 dated June 24, 2022 has remanded back. The remand back proceedings were concluded by DCIR vide Order dated December 12, 2022 wherein the Officer repeated the earlier actions. The company filed appeal before the CIR(A) against the Order of DCIR. CIR(A) dated May 26, 2023 passed order to remanded back the matter to the officer with strict directions. The CIR(A) in it's order did not adjudicate on the legal issues contested of the appeal. Thus, appeal has been filed before ATIR vide letter dated July 24, 2023 on the legal issues and is pending.

p) The tax department has issued an order dated May 25, 2022 and raised a penalty on late filing of return and delayed payment for July 2018 to June 2019 amounting to Rs. 330.990 million along with default surcharge of Rs. 114.590 million. The Company has filed an appeal to CIR(A) which is was decided against the company. Company filed an appeal against the order passed by CIR(A) at ATIR which is decided in favor of the company and annulled the order of CIR(A) on legal ground.

q) Based on consultation with tax / legal advisors on the above mentioned cases, the management believes that these cases will be decided in the favor of the Company. Accordingly, no provision has been made in these financial statements in this regard.

Other Contingencies

a) The Competition Commission of Pakistan (CCP) vide its order dated November 20, 2009 has imposed a token penalty of Rs. 10 million on account of unreasonable increase in Hajj fare during the year 2008 as compared to Hajj season 2007. Further, on account of discrimination between Hajj passengers and regular passengers, the Company was directed to work out an amount of refund to be paid back to Hajis based on the difference of fare between regular passengers and short duration Hajis who flew during Hajj season 2008. The total amount of refund estimated by the Company is Rs. 417 million. The Company has filed appeals simultaneously in Lahore High Court and the Supreme Court of Pakistan. However, after the order of the Honourable Supreme Count in July, 2017, the appeal has been transferred to the Competition Appellate Tribunal, Islamabad. Management believes that both appeals will be decided in favour of the Company. Accordingly, no provision has been made in these financial statements in this regard.

b) The Pakistan Civil Aviation Authority (PCAA) has been claiming excessive amounts from the Company which mainly relates to non-aeronautical charges comprising of land lease rent and the license fee. As at December 31, 2024 the excessive amounts claimed by PCAA which are not acknowledged by the Company aggregated to Rs. 2,136.682 million (2023: Rs. 154,415.184 million) including late payment surcharge and interest thereon amounting to Rs. 1,567.04 million (2023: Rs. 146,959.406 million). In view of the understanding reached through a Memorandum of Understanding (MoU) which was concluded in the meeting held on January 24, 2011 between the representatives of the Company and PCAA, the management does not accept the higher amounts being claimed by PCAA.

c) Various ex-employees of the Company have lodged claims against the Company for their dues specifically relating to their reinstatements aggregating to Rs. 5,580.982 million. The Company is contesting several litigations mainly relating to suits filed against it for unlawful termination of contracts, breach of contractual rights and obligations, non-performance of servicing stipulations due to negligence or otherwise. Accordingly, no provision has been made in these financial statements against these claims amounting to Rs. 5,580.982 million. The management is of the view that these cases have no sound legal grounds and the Company does not expect these contingencies to materialise.

30.2 Commitments

a) Commitments for capital expenditure amounted to Rs. 149.701 million (2023: Rs. 117.921 million).

b) Outstanding letters of guarantee amounted to Rs.149.840 million (2023: Rs. 294.399 million).

		December 31, 2024	December 31, 2023
		(Rupees in '000)	
31	**REVENUE - net**		
	Passenger	184,018,710	215,536,603
	Cargo	10,648,235	8,508,121
	Excess baggage	1,182,768	1,552,932
	Charter services	1,537,681	3,630,111
	Engineering services	1,042,790	1,892,027
	Cancellation charges	3,009,444	3,786,009
	Expired tickets - fare	980,144	1,345,320
	Others	1,744,689	1,631,633
		204,164,462	237,882,756
31.1	**Revenue by geographical segments**		
	USA & Canada	16,562,145	14,662,211
	Europe & UK	3,958,971	3,772,127
	Middle East & Africa	51,963,930	40,502,592
	Asia (excluding Pakistan)	4,051,165	2,093,556
	Pakistan	127,628,251	176,852,270
		204,164,462	237,882,756
31.2	**Gross Revenue**		
	Revenue	227,001,894	259,111,519
	Less:		
	Commission and discount	(5,609,483)	(8,119,692)
	Federal excise duty	(15,419,554)	(11,135,670)
	Provincial sales tax	(191,128)	(118,805)
	Foreign tax	(1,617,268)	(1,854,596)
	Net Revenue	204,164,462	237,882,756

32 COST OF SERVICES - others	Note	December 31, 2024	December 31, 2023
		(Rupees in '000)	
Salaries, wages and allowances		13,361,147	14,752,978
Welfare and social security costs		1,628,714	1,411,040
Retirement benefits	32.1	3,093,633	3,671,043
Legal and professional charges		107,278	44,894
Stores and spares consumed		2,167,057	2,594,048
Maintenance and overhaul		17,484,810	16,918,287
Flight equipment rental	32.2	7,959,479	13,480,112
Landing and handling		29,425,969	33,749,032
Passenger services		4,204,848	4,207,947
Crew layover		3,411,272	3,099,934
Utilities		65,592	59,631
Communication		2,951,839	3,412,856
Insurance		5,381,128	6,379,317
Rent, rates and taxes		1,277,508	1,379,662
Printing and stationery		228,904	241,889
Depreciation	6.3	12,199,617	13,662,516
Amortisation	8.2.1	6,619	8,570
Others		1,623,130	1,347,660
		106,578,544	120,421,416

32.1 All investments out of provident fund have been made in accordance with the provision of Sec 218 of the Companies Act, 2017 and the conditions specified thereunder

32.2 This represents lease payments classified under IFRS 16 as short term leases.

33 DISTRIBUTION COSTS	Note	December 31, 2024	December 31, 2023
		(Rupees in '000)	
Salaries, wages and allowances		1,621,498	1,810,366
Welfare and social security costs		203,776	176,542
Retirement benefits		1,604,106	1,903,504
Distribution and advertising expenses		3,202,830	3,309,811
Legal and professional charges		190,716	79,812
Insurance		90,905	144,602
Printing and stationery		149,924	173,792
Communication		415,664	423,217
Rent, rates and taxes		311,648	312,366
Utilities		32,796	29,816
Depreciation	6.3	13,202	13,224
Others		501,400	399,752
		8,338,464	8,776,804

34 ADMINISTRATIVE EXPENSES	Note	December 31, 2024	December 31, 2023
		(Rupees in '000)	
Salaries, wages and allowances		2,358,267	2,696,298
Welfare and social security costs		301,290	261,023
Retirement benefits		1,031,211	1,223,681
Legal and professional charges		893,984	374,119
Insurance		182,016	350,035
Printing and stationery		28,667	38,444
Rent, rates and taxes		976,594	878,214
Utilities		1,541,408	1,401,334
Auditors' remuneration	34.1	32,000	22,362
Communication		57,421	59,255
Depreciation	6.3	20,615	20,297
Amortisation	8.2.1	76,114	98,555
Donations	34.2	4,550	3,150
Others		789,923	623,721
		8,294,060	8,050,488

34.1 Auditors' remuneration

	December 31, 2024			December 31,2023		
	Grant Thornton Anjum Rahman	BDO Ebrahim & Co.	Total	Grant Thornton Anjum Rahman	BDO Ebrahim & Co.	Total
	(Rupees in '000)					
Audit fee for statutory audit	7,500	7,500	15,000	7,500	7,500	15,000
Audit fee for special financial statements	6,000	6,000	12,000	-	-	-
Fee for review of interim financial information	-	-	-	2,200	2,200	4,400
Consolidated financial statements	-	-	-	256	256	512
Code of Corporate Governance	-	-	-	400	400	800
Out of pocket expenses	750	750	1,500	825	825	1,650
Others	1,000	2,500	3,500	-	-	-
	15,250	16,750	32,000	11,181	11,181	22,362

34.2 Donations include payments aggregating Rs. 4.55 million (2023: Rs. 3.15 million) to its CSR setup viz Al-Shifa Trust, situated at Terminal 2, Road, Karachi Airport, Pakistan in which the Chief Executive Officer of the Company (AVM Muhammad Amir Hayat) acts as a Trustee / Chairman. Besides this, none of the directors or their spouses have any interest in the done.

35 OTHER PROVISIONS AND ADJUSTMENTS - net	Note	December 31, 2024	December 31, 2023
		(Rupees in '000)	
Provision for slow moving and obsolete spares	13.1	224,336	134,222
Allowance for ECL against doubtful debts	14.1	311,437	2,386,947
Allowance for other receivables	17.4	4,985	78,831
(Reversal) / provision on late payment of fuel		(396,938)	1,233,569
Others		497	128
		144,317	3,833,696

		Note	December 31, 2024	December 31, 2023
36	**OTHER INCOME - net**		(Rupees in '000)	
	Income from financial assets			
	Profit on bank deposits		90,970	145,915
	Markup on loan to subsidiary		302,889	866,829
	Income from non financial assets			
	Gain on disposal of property, plant and equipment		3,849	115
	Rental income		53,483	66,637
	Insurance claims		324,195	461,755
	Fair value gain on investment property		42,400	200,968
	Liabilities no longer payable - written back		1,569,682	1,633,075
	Others		1,746,913	1,780,792
			3,740,521	4,143,342
			4,134,381	5,156,086
37	**FINANCE COSTS**			
	Mark-up / interest on:			
	long-term financing		7,778,827	69,234,810
	short-term borrowings		-	6,939,258
	advance from subsidiaries		271,410	774,883
	lease liabilities	23.1 & 25.5	1,844,651	1,835,733
	provident fund	26.9	95,448	147,700
			9,990,337	78,932,384
	Discounting on long term deposits		(146,586)	88,330
	Amortisation of arrangement fee		-	83,939
	Agency and commitment fee		-	66,751
	Bank charges, guarantee commission and other related charges		221,924	258,092
			10,065,675	79,429,496
38	**TAXATION**			
	Current		107,485	-
	Deferred	11	(30,900,010)	1,225,454
			(30,792,525)	1,225,454

38.1 The tax charge for the current period is based on minimum tax on turnover under section 113 of Income Tax Ordinance 2001. Accordingly, no tax reconciliation is presented in these financial statements.

	Note	December 31, 2024	December 31, 2023
		--------- (Rupees in '000) ---------	
39 PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED			As restated
Profit / (loss) for the year		26,203,765	(104,500,598)
Weighted average number of ordinary shares outstanding		5,234,511,117	5,234,511,117
Profit / (loss) per share attributable to ordinary share (Rupees)		5.01	(19.96)

40 CASH GENERATED FROM OPERATIONS

Loss before levy and income tax		(3,057,527)	(101,491,024)
Adjustments for:			
Depreciation	6.3	12,233,434	13,696,038
Gain on disposal of property, plant and equipment	36	(3,849)	(115)
Fair value gain on investment property	36	(42,400)	(200,968)
Amortisation of intangibles	8.2.1	82,733	107,125
Provision for slow moving and obsolete spares	35	224,336	134,222
Provision for impairment against doubtful debts	35	311,437	2,386,947
Provision against other receivables	35	4,985	78,831
Provision for employee benefits		5,282,249	6,329,912
Finance cost	37	10,065,675	79,429,496
Unrealised exchange loss		382,335	19,287,594
Profit on bank deposits	36	(90,970)	(145,915)
		25,392,438	19,612,143
Working capital changes			
Increase in stores and spares		(616,825)	(598,181)
Decrease in trade debts		3,083,925	2,397,546
Increase in advances		(1,164,629)	(2,690,684)
Decrease / (increase) in trade deposits and prepayments		1,828,329	(3,902,665)
Increase in other receivables		(10,969,595)	(167,204)
Increase in trade and other payables		3,347,307	46,395,034
		(4,491,488)	41,433,846
		20,900,951	61,045,989

40.1 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	December 31, 2024				
	Liabilities				
	Short term borrowings (including accrued markup)	Long Term Financing (including accrued markup)	Sukuk (including accrued markup)	Lease liabilities	Total
	(Rupees in '000)				
Balance as at January 01, 2024	51,050,814	401,691,166	5,379,427	27,897,069	486,018,478
Changes from financing cash flows					
Proceeds from loans and borrowings	7,000,000	-	-	-	7,000,000
Repayment of loans and borrowings	-	(9,697,036)	-	-	(9,697,036)
Payment of finance lease liabilities	-	-	-	(7,100,946)	(7,100,946)
Total changes from financing cash flows	7,000,000	(9,697,036)	-	(7,100,946)	(9,797,983)
Other changes - liability related					
Interest expense	-	(102,746)	-	1,057,094	954,348
Interest paid	-	8,156,963		1,570,619	9,727,582
Total liability - related other changes		(222,605)		(1,570,619)	(1,793,224)
Total equity - related other changes	-	7,831,612	-	1,057,094	8,888,706
Transfer to Holding company	-	-	-	-	-
Balance as at December 31, 2024	(51,050,814)	(399,825,742)	(5,379,427)	-	(456,255,983)
	7,000,000	-	-	21,853,217	28,853,219

41 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)					
Managerial remuneration	8,677	11,916	50,128	96,127	1,107,152	1,914,258
Company's contribution to provident fund	-	-	2,806	1,313	89,132	75,947
Flying allowance	-	-	-	-	1,117,837	924,145
House & rent allowance	-	-	-	-	487,359	
Conveyance allowance	-	-	-	-	83,201	
Others	-	-	101,726	61,116	64,062	88,717
	8,677	11,916	154,660	158,556	2,948,743	3,003,067
Number	1	1	7	14	683	535

42 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's senior management carries out financial risk management under governance approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks, wherever necessary.

42.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following risks:

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's revenue streams are denominated in a number of foreign currencies resulting in exposure to foreign exchange rate fluctuations. In addition, the Company has lease liabilities that are primarily denominated in US Dollar (USD), Saudi Riyal (SAR), United Arab Emirates Dirham (AED) and Great Britain Pound (GBP). The Company can experience adverse or beneficial effects arising from foreign exchange rate movements. The Company manages some of its currency risk by utilising its foreign currency receipts to satisfy its foreign currency obligations. The following table demonstrates the sensitivity of financial instruments to a reasonable possible change in the foreign currency exchange rates, with all other variables held constant, on financial performance of the company at the end of the reporting period:

	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
	+5%		(-5%)	
Change in USD rate (Increase) / Decrease in loss	5,508	(2,748,919)	(5,508)	2,748,919
	+5%		(-5%)	
before tax Change in SAR rate Decrease / (increase) in loss	2,720	6,323	(2,720)	(6,323)
	+5%		(-5%)	
before tax Change in AED rate Decrease / (increase) in loss	27,360	8,990	(27,360)	(8,990)
	+5%		(-5%)	
Change in GBP rate before tax Decrease / (increase) in loss before tax	12,588	6,842	(12,588)	(6,842)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the following:

	December 31, 2024	December 31, 2023
	(Rupees in '000)	
Variable rate instruments at carrying amount:		
Financial liabilities		
Long-term financing	-	324,496,348
Lease liabilities	21,853,218	27,897,069
Advance from a subsidiary	-	11,298,062
Short-term borrowings	7,000,000	47,722,791
	28,853,218	411,414,270
Financial assets		
Advance to subsidiary	-	(3,136,650)
	28,853,218	408,277,620
Fixed rate instruments at carrying amount:		
Financial liabilities		
Long-term financing	-	8,000,000
Financial assets		
Bank deposits	(2,711,209)	(373,752)
	(2,711,209)	7,626,248

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect statement of profit or loss account.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Company's financial performance at the end of the reporting period:

	KIBOR		SOFR	SOFR
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
Change in interest rate	+1%		+0.25%	
Increase in loss before levy and income tax	-	(2,955,637)	-	(129,366)
Change in interest rate	(-1%)		(-0.25%)	
Decrease in loss before levy and income tax	-	2,955,637	-	129,366

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not significantly exposed to other price risk.

d) Fuel price risk

The Company's earnings are affected by changes in price of aircraft fuel. The Company hedges fuel prices to a limited extent through use of derivative contracts. There were no derivative contracts during the financial period and outstanding at the end of the reporting period.

42.2 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents, financing facilities and through support of GoP either in the form of capital / loans or in the form of guarantee to obtain financing from lenders (refer note 1.2).

The following table shows the Company's remaining contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Less than 1 year	1 - 5 years	More than 5 years
	(Rupees in '000)				
December 31, 2024					
Long-term financing	-	-	-	-	-
Term finance and sukuk certificates	-	-	-	-	-
Lease liabilities	21,853,218	21,853,218	7,514,488	14,338,730	-
Trade and other payables	60,566,535	60,566,535	60,566,535	-	-
Accrued interest / mark-up / profit	-	-	-	-	-
Short-term borrowings	7,000,000	7,000,000	7,000,000	-	-
	89,419,753	89,419,753	75,081,022	14,338,730	-

	Carrying amount	Contractual cash flows	Less than 1 year	1 - 5 years	More than 5 years
	(Rupees in '000)				
December 31,2023					
Long-term financing	332,496,348	332,496,348	332,496,348	-	-
Term finance and sukuk certificates	5,379,427	5,379,427	5,379,427	-	-
Lease liabilities	27,897,070	27,897,070	27,897,070	-	-
Trade and other payables	224,568,356	224,568,356	224,568,356	-	-
Accrued interest / mark-up / profit	76,202,714	76,202,714	76,202,714	-	-
Short-term borrowings	47,722,791	47,722,791	47,722,791	-	-
	714,266,706	714,266,706	714,266,706	-	-

42.3 Credit risk

Credit risk is the risk that the Company as a party to a financial instrument will suffer a financial loss by the other party due to failing to discharge an obligation. All financial assets comprising debt instruments are subject to credit risk. The carrying amount of such financial assets as at December 31, 2024 represents the maximum credit exposure, which is as follows:

	December 31, 2024	December 31, 2023
	-------- (Rupees in '000) --------	
Long-term deposits	6,536,222	5,791,412
Trade debts	12,347,920	13,538,964
Advances	7,189,818	6,703,432
Trade deposits and prepayments	4,290,432	5,934,870
Other receivables	18,138,774	7,509,437
Bank balances	8,346,540	4,146,739
	56,849,705	43,624,854

Trade debts

The Company has a credit policy in place for customers and the exposure to credit risk is monitored on an on-going basis. The Company normally grants a credit term of 30 to 60 days to customers and in certain circumstances such exposure is partially protected by bank guarantees. Trade debtors mainly represent passenger and freight sales due from agents and government organizations. The majority of the agents are connected to the settlement systems operated by the International Air Transport Association ("IATA") who is responsible for checking the credit worthiness of such agents and collecting bank guarantees or other monetary collaterals according to local industry practice. In most cases amounts due from airlines are settled on net basis via an IATA clearing house. The credit risk with regard to individual agents and airlines is relatively low.

Ageing of trade debts is disclosed in note 14.2 to these financial statements.

Other financial assets

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably good credit rating i.e. at least "A3" or equivalent for short term and "BBB" or equivalent for long term.

There is no credit risk on aircraft lease deposits because they are secured against the finance lease obligation. Other deposits are not significantly exposed to credit risk as they have been paid as security deposits to receive future services.

There is no significant credit risk against other receivables as majority of the receivables are from GoP.

42.4 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. The Company has incurred losses in recent years and the disclosure in respect of the Company's ability to continue as a going concern is disclosed in note 1.2 to these financial statements.

43 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2024							
	Carrying amount				Fair value			
	Fair Value Through OCI	Loans and receivables (Amortised Cost)	Other financial assets (Amortised Cost)	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets not measured at fair value								
Non current assets								
Long-term deposits	-	6,536,222	-	6,536,222	-	-	-	-
Current assets								-
Trade debts	-	12,347,923	-	12,347,923	-	-	-	-
Advances	-	7,189,819	-	7,189,819	-	-	-	-
Trade deposits	-	4,198,472	-	4,198,472	-	-	-	-
Other receivables	-	18,138,774	-	18,138,774	-	-	-	-
Cash and bank balances	-	8,346,540	655	8,347,195	-	-	-	-
	-	56,757,749	655	56,758,404	-	-	-	-

	December 31, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial liabilities not measured at fair value							
Long-term financing	-	-	-	-	-	-	-
Lease liabilities	-	21,853,218	21,853,218	-	-	-	-
Trade and other payables	-	60,566,535	60,566,535	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Short-term borrowings	-	7,000,000	7,000,000	-	-	-	-
	-	89,419,753	89,419,753	-	-	-	-

	December 31,2023							
	Carrying amount				Fair value			
	Fair Value Through OCI	Loans and receivables (Amortised Cost)	Other financial assets (Amortised Cost)	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Long-term investments	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Non current assets								
Investments in unquoted securities	-	-	-	-	-	-	-	-
Long-term deposits	-	5,791,412	-	5,791,412	-	-	-	-
Current assets								
Trade debts	-	15,743,285	-	15,743,285	-	-	-	-
Advances	-	6,831,393	-	6,831,393	-	-	-	-
Trade deposits	-	5,934,870	-	5,934,870	-	-	-	-
Other receivables	-	2,120,722	-	2,120,722	-	-	-	-
Cash and bank balances	-	4,146,739	785	4,147,524	-	-	-	-
	-	40,568,421	785	40,569,206	-	-	-	-

	December 31,2023						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial liabilities not measured at fair value							
Long-term financing	-	332,496,348	332,496,348	-	-	-	-
Term finance and sukuk certificates	-	5,379,427	5,379,427	-	-	-	-
Lease liabilities	-	27,897,068	27,897,068	-	-	-	-
Advances from subsidiary	-	11,298,062	11,298,062	-	-	-	-
Trade and other payables	-	224,568,356	224,568,356	-	-	-	-
Accrued Interest	-	76,202,714	76,202,714	-	-	-	-
Short-term borrowings	-	47,722,791	47,722,791	-	-	-	-
	-	725,564,766	725,564,766	-	-	-	-

	December 31, 2024	December 31, 2023
	---------- (Rupees in '000) ----------	

44 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position

At amortized cost

Long term investments	-	4,416,110
Long term loan to subsidiaries	-	3,920,813
Deposits	10,734,694	5,791,412
Trade debts	12,347,923	15,743,285
Advances	7,189,818	6,831,393
Other receivables	18,138,774	7,509,437
Cash and bank balances	8,347,198	4,147,524

At fair value through other comprehensive income

Long term investments	-	175,184
	56,758,407	48,535,158

Financial liabilities as per the statement of financial position

At amortized cost

Long term loans	-	337,875,775
Trade and other payables	121,584,414	276,590,287
Accrued interest	-	85,000,859
Short term borrowings	7,000,000	47,722,791
	128,584,414	747,189,712

The fair value of all financial assets and financial liabilities are not significantly different from their carrying values since assets and liabilities are mostly short term in nature.

45 TRANSACTIONS WITH RELATED PARTIES

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

Name of Related Parties	Direct Shareholding	Basis of relationship	Relationship
PIA Holding Company Limited	100%	Parent company	Holding Company
PIA Investments Limited (PIAIL)	-	Common ownership	Associated company
Skyrooms (Private) Limited	-	Common ownership	Associated company
Sabre Travel Network Pakistan (Private) Limited	-	Common ownership	Associated company
Minhal France S.A	-	Common ownership	Associated company
Al-Shifa Trust	-	Common ownership	CSR Setup
Post Retirement Benefits			
PIA Main Pension Fund	-		Post Retirement Benefits
PIA PALPA Fund	-		Post Retirement Benefits
PIA FENA Fund	-		Post Retirement Benefits
UK Pension Fund	-		Post Retirement Benefits
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

Name of Related Parties	Direct Shareholding	Relationship
Federal Board of Revenue	-	State owned / controlled entities
Key management personnel		
Amanullah Qureshi	-	Key management personnel
Amir Ali	-	Key management personnel
Amos Nadeem	-	Key management personnel
Maj Khurram Mushtaq	-	Key management personnel
AVM Muhammad Amir Hayat	-	Key management personnel
Syed Asif Gilani	-	Key management personnel
Nausherwan Adil	-	Key management personnel
AVM Meharyar saqib niazi	-	Key management personnel
Athar Hussain	-	Key management personnel

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

Name of Related Parties	Nature of Transaction	December 31, 2024	December 31, 2023
		(Rupees in '000)	
PIA Holding Company Limited	Amounts previously withheld by PIA bankers received by PIA Holding Company	9,643,007	-
	Medical reimbursements	833,261	-
	Pension	1,143,055	-
	Other expenses	508,633	-
Limited - Associated Company	in-transit passengers	137,223	183,041
	Reimbursement of expenses	1,218,365	689,913
PIA Investments Limited - Associated Company	Markup expense on advance	271,410	774,883
	Markup income on advance	302,889	866,829
Minhal France S.A. - Associated Company	Other income	2,727	13,611
Sabre Travel Network Pakistan (Private) Limited - Associated Company	Advance from Associate	-	175,000
Al-Shifa Trust	Donation	4,550	3,150
Retirement benefit funds	Contribution to provident fund	2,347,192	2,233,675

Related party by virtue of GoP holdings

The GoP holds 100% of the Company's share capital through the Holding Company. However, the Company has availed exemption available to it under its reporting framework, and therefore has not provided detailed disclosures of its transactions with GoP related entities, except for transactions stated below, which the Company considers are significant:

Profit oriented state controlled entities - common ownership	Nature of Transaction	December 31, 2024	December 31, 2023
		(Rupees in '000)	
Pakistan State Oil (PSO)	Purchase of fuel	42,316,115	55,844,514
	Late payment (reversal) / interest	(396,938)	1,233,569
Civil Aviation Authority (CAA)	Airport related charges	10,838,947	14,673,004
National Insurance Company (NICL)	Insurance premium	5,262,441	6,266,669
National Bank of Pakistan (NBP)	Finance costs	-	9,820,692
GoP	Finance cost	7,362,677	21,681,836

45.3 Transactions with the directors, chief executive and key management personnel have been disclosed in note 41 to these financial statements.

45.4 Details of balances held with the aforementioned related parties excluding profit oriented state-controlled entities have been disclosed in respective notes.

45.5 During the reporting period, the Company's sales of transportation services to subsidiaries, associates and directors are not determinable. The Issuance of ticket at concessional rates to Key Management Personnel amounts to Rs. 1.31 million (2023: Rs. 1.6 million).

46 Number of employees	December 31, 2024	December 31, 2023
	(Rupees in '000)	
Average number of employees during the year	7,215	7,755
Number of employees at year end	6,883	7,547

47 GENERAL

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

48 CORRESPONDING FIGURES

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

49 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors in their meeting held on April 08, 2025.

Chief Executive Officer	Director	Chief Financial Officer



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