

Pakistan International Airlines (PIA)

(Annual Report 1995-96)

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NOTICE OF 40TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of the Shareholders of Pakistan International Airlines Corporation will be held at 1500 Hours on Tuesday, 31st December, 1996, behind Airport Hotel, Quaid-e-Azam International Airport Karachi, to transact the following business:

1. To confirm the minutes of the 39th Annual General Meeting held on 9th December, 1995.
2. To receive and adopt the Audited Accounts for the year ended 30th June, 1996, together with the Auditors' and Directors' reports.
3. To transact any other business which may legally be transacted at any AGM.

Notes:

- a) The Share Transfer Books of the Corporation will remain closed from 25th December, 1996, to 7th January, 1997, both days inclusive. Transfer documents received in order during the office hours by Tuesday, 24th December, 1996, will be in time for registration of transfer of shares.
- b) A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint another Shareholder as proxy. Proxies and Powers of Attorney in order to be effective, must be deposited at the Head Office of the Corporation not less than 48 hours before the time fixed for holding the Meeting unless the Power of Attorney has already been registered in the Corporation books, and must be duly stamped, signed and witnessed.
- c) Shareholders are requested to promptly notify the Corporation of any change in their addresses.
- d) Entry at the Meeting place will start at 1400 hours and close at 1500 hours. Shareholders cooperation in this regard will be appreciated.

Board of Directors As on 25th November, 1996

Hasan Raza Pasha
Secretary Defence & Chairman - PIAC

Air Marshal
Farvaiz Mehdi Qureshi
Dy. Chief of Air Staff (Ops)

Mueen Afzal
Secretary Finance
Government of Pakistan

Shuja-ul-Hasan
President, Habib Bank Limited

Hafeezullah Ishaq
Chairman, Central Board of Revenue
Government of Pakistan

Lt. Gen. (Retd)
Alam Jan Mahsud

S. Abdur Rehman

Abubakr I. Chundrigar

M.B. Abbasi

Muhammad Younus Dalia

M. Nawaz Tiwana
Managing Director

Ghazanfar Mashkoor
Secretary- PIAC

Registered Office
PIA Building
Quaid-e-Azam International Airport
Karachi- Pakistan

Management As on 25th November, 1996

M. Nawaz Tiwana
Managing Director

Ashad Mahmud
Deputy Managing Director (Finance)

Khursheed Artwar
Deputy Managing Director (Marketing)

Dr. S. Mir Muhammad Shah
Deputy Managing Director (PM&C)

M. Jalaluddin

Director Finance

Badshah Gul
Director Administration

Jawaid Akhtar Khan
Director Information System

S.M. Tarin
Director Marketing

Kaleem Malik
Director Airport Services

Anwar ul Hassan
Director Corporate Planning

Shahid Islam
Director Subsidiaries

Capt. S.S. Zaman
Director Flight Operations

Ali Abbas Brohi
Director Inspection

Ghulam Shabbir Pechuho
Director Flight Services

Imran A. Khan
Director Stores & Purchases

Capt. Nadeem Yousufzai
Director General Services

S.U. Zaman
Director Engineering & Maintenance

DIRECTORS' REPORT

The Directors have pleasure in placing before you their report together with the Audited Annual Accounts for the year ended June 30, 1996.

ACCOUNTS	(Rupees in thousand)
Profit before taxation	207,705
Provision for taxation	(142,532)
Profit after taxation	65,173
Profit brought forward	602,564

Unappropriated profit carried forward	667,737
	=====

CHAIRMAN'S REVIEW

The Directors endorse the Chairman's Review.

DIRECTORS

Since the last Annual General Meeting held on 9th December, 1995 changes have occurred in the Board of Directors of the Corporation. Mr. Hasan Raza Pasha, Secretary Defence, Government of Pakistan, joined as Chairman PIAC Board and Sardar Noor Ilahi Leghari, relinquished charge as Chairman PIAC Board. Air Marshal Parvaiz Mehdi Qureshi, Dy. Chief of Air Staff (Ops); Mr. Mueen Afzal, Secretary Finance, Government of Pakistan; Mr. Shuja-ul-Hasan, President, Habib Bank Limited; Mr. Hafeezullah Ishaq, Chairman, Central Board of Revenue, Government of Pakistan; Lt. Gen. (Retd.) Alam Jan Mahsud; Mr. S. Abdur Rehman; Mr. Abubakar I. Chundrigar; and Mr. M. Nawaz Tiwana, Managing Director, PIA, joined as Board Members, whereas Air Chief Marshal Mohammad Abbas Khattak; Mr. Altaf Ali Bhayo; Mr. Dinshaw H. Anklesaria; Mr. Javed Hasan Aly; Mr. Mohammad Mubeen Jumani; and AVM (Retd.) Farooq Umar, relinquished charge as Board Members. The Board welcomes the new Directors and wishes to place on record its appreciation of the valuable services rendered by the outgoing Chairman and Members of the Board.

PATTERN OF SHAREHOLDING

The pattern of shareholding is available at last of this report.

HIGHLIGHTS

		1995-96	1994-95
Revenues	(Rs. in million)	27,747	25,417
Cost and expenditure	(Rs. in million)	26,473	24,198
Profit before taxation	(Rs. in million)	208	434
Net worth	(Rs. in million)	8,683	8,618
Revenue passenger kilometres	(000)	10,592,323	10,382,398
Passenger load factor		63.90%	65.50%
Revenue tonne kilometres	(000)	1,402,311	1,408,345
Revenue load factor		55.50%	57.4%
Earning per ordinary share	Rs. 10 each (Re.)	0.18	0.74
	Rs. 5 each (Re.)	0.09	0.37

CHAIRMAN'S REVIEW

Dear Shareholders,

It is my privilege to present the Corporation's Annual Report for the financial year 1995.96. I take this opportunity to update you on the state of the national airline, its performance during the year as well as the future prospects and plans.

The financial results are summarised below:

1995-96	1994-95
(Rupees in million)	

Revenues	27,747	25,417
Costs and expenditure	26,473	24,198
Profit before Taxation	208	434
Provision for Taxation	143	141
Profit after Taxation	65	293

Despite constraints, the airline maintained a steady expansion of its revenue base, registering a growth of 9.17% in revenue amounting to Rs. 27,747 million for the year. Costs and expenditure which amounted to Rs. 26,473 million recorded a higher increase of 9.40% owing to worldwide surge in fuel prices which was not compensated by tariff increases during the year. Thus profit before tax for the year was lower at Rs. 208 million.

The year under review was not without its bout of stresses and strains emanating from the impact of wage revisions, domestic competition, grounding of one of the freighter aircraft and Government's Open Sky policy for cargo besides the fuel price increases. These adverse factors exerted considerable pressure on the airline's cost structure on one hand and hampered attainment of higher revenue growth on the other.

To protect profitability, the management initiated various measures during the year for revenue enhancement and cost control.

It is a matter of satisfaction that the airline was able to absorb the diverse economic pressures and has maintained the path of profitability and growth. It is against this background that the results for the financial year 1995-96 should be examined and analysed.

During most of the year, the airline operated with considerable cash constraints following liquidation of certain old liabilities, advance tax deductions by Government, disbursement of wage revision arrears etc. The cash problem, specially in Rupee funds, could not be mitigated due to paucity of the rupee credit lines as a result of the State Bank restriction on Commercial Banks for limiting monetary expansion.

To foster further growth in both, traffic and revenue, the airline is looking for new markets, whereas capacity deployment on existing international routes is also being reviewed. The number of flights to Kathmandu have recently been raised from two to four, while two additional flights have been introduced to Saudi Arabia to take care of the traffic growth on this route. Beirut and Yangon (Rangoon) have been added on PIA's network while service to Johannesburg may be started in the near future upon availability of requisite approval from an-route point.

Likewise, capacity on major domestic trunk routes has lately increased substantially, whereas services to other smaller destinations are also being strengthened. Two new points, Dera Ghazi Khan and Sehwan Sharif were added to PIA's domestic network in June 96. Earlier, in March 96, PIA introduced Boeing flights to Moenjodaro, linking it with Karachi and Sukkur.

To strengthen cargo operations, the airline is looking into the possibility of acquiring a freighter aircraft on lease.

Recently, after successful conclusion of bilaterals with USA, seven additional points have become available to PIA for its operation into USA. Services to Chicago and Washington are on the anvil. Bilateral agreement for operation to Australia has also been concluded while earlier, substantial increase in both passenger and freight capacity was negotiated with U.K. From a long-term perspective, these openings offer a considerable potential for growth.

To harness the above growth, the airline is looking at its existing fleet and various options for replacement/expansion of fleet are under evaluation.

We are aware that the demands of the current severe competition calls for greater imagination and vision. To promote growth in this highly competitive environment, attention is increasingly being focussed on improving service, maintaining high standards of safety and maintenance, while at the same time, becoming more cost effective and proficient. The airline is, therefore, investing substantially in the customer services area and in augmenting the engineering capability.

While the economic pressures highlighted earlier still persist, the airline, is now better equipped to face the vicissitudes and is poised to take on the challenges that lie ahead. With the continued patronage of our valuable customers and the enhanced dedication of the employees, I look forward to 1996-97 with renewed enthusiasm, determination and confidence.

May Allah bless us all in our efforts.

Yours sincerely,

(HASAN RAZA PASHA)
CHAIRMAN

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pakistan International Airlines Corporation as at June 30, 1996 and the related profit and loss account and statement of changes in financial position, together with the notes forming part thereof, for the year then ended 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 our audit and, after due verification thereof, we report that:

(a) in our opinion, proper books of account have been kept by the Corporation as required by the Pakistan International Airlines Corporation Act, 1956 and rules made thereunder and the Companies Ordinance, 1984;

(b) in our opinion, the balance sheet and profit and loss account together with the notes thereon have been drawn up:

(i) in conformity with the Pakistan International Airlines Corporation Act, 1956;

(ii) in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change in accounting policy stated in note 2.11 with which we concur;

(c) in our opinion:

(i) the expenditure incurred during the year was for the purpose of the Corporation's business; and

(ii) the business conducted, investment made and the expenditure incurred during the year were in accordance with the objects of the Corporation;

(d) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and the statement of changes in financial position, together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Corporation's affairs as at June 30, 1996 and of the profit and the changes in financial position for the year then

ended; and

(e) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

SLDAT HYDER QAMAR MAQBOOL & CO.

Chartered Accountants

Karachi: December 09, 1996

FORD, RHODES, ROBSON & MORROW

Chartered Accountants

BALANCE SHEET AS AT JUNE 30, 1996

	Note	1996 (Rupees in thousand)	1995	1996 (US\$ in thousand) (note 31.3)
SHAREHOLDERS' FUNDS				
Share Capital	3	3,884,618	3,884,618	110,397
Reserves	4	4,130,712	4,130,712	117,391
Unappropriated profit		667,737	602,564	18,976
		8,683,067	8,617,894	246,764
SURPLUS ON REVALUATION OF FIXED ASSETS				
REDEEMABLE CAPITAL	6	400,000	400,000	11,368
LONG-TERM LOANS	7	817,703	865,573	23,238
OBLIGATIONS UNDER HIRE PURCHASE	8	9,859,422	9,893,770	280,195
LONG-TERM DEPOSITS AND OTHER LIABILITIES	9	442,713	1,639,355	12,581
CURRENT LIABILITIES				
Current maturity of long-term loans/ obligations under hire purchase	7-8	1,501,290	1,546,566	42,665
Short-term loans	10	2,667,698	1,235,846	75,813
Creditors, accrued expenses and other liabilities	11	5,117,724	4,584,143	145,441
		9,286,712	7,366,555	263,919
CONTINGENT LIABILITIES AND COMMITMENTS				
	12	-	-	-
		29,500,257	28,793,787	838,367
FIXED ASSETS				
Operating assets	13	19,987,177	19,502,437	568,015
Capital work-in-progress	14	47,895	34,171	1,361
		20,035,072	19,536,608	569,376
LONG-TERM INVESTMENTS	15	290,969	290,969	8,269
LONG-TERM ADVANCES	16	1,337,631	1,334,896	38,014
LONG-TERM DEPOSITS AND OTHER RECEIVABLES	17	207,171	192,048	5,888
CURRENT ASSETS				
Stores and spares	18	3,271,487	2,998,904	92,972
Trade debts	19	2,526,660	2,049,395	71,805
Advances, deposits and prepayments	20	576,064	467,341	16,371
Other receivables	21	1,011,227	1,133,768	28,738
Cash and bank balances	22	243,976	789,858	6,934
		7,629,414	7,439,266	216,820
		29,500,257	28,793,787	838,367
		=====	=====	=====

The annexed notes form an integral part of these accounts.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1996

	Note	1996 (Rupees in thousand)	1995	1996 (US\$ in thousand) (note 31.3)
Revenues	23	27,746,507	25,417,356	788,527
Costs and expenditure	24	26,472,750	24,198,740	752,328
		1,273,757	1,218,616	36,199
Financial charges	25	(1,167,778)	(1,190,291)	(33,197)
Provision for doubtful debts		35,000	(90,000)	994
Interest and other income	26	57,170	184,370	1,625
Provision for diminution in value of investments and advances reversed		-	134,455	-
Profit on disposal of fixed assets	27	9,556	63,863	272
		(1,066,052)	(897,603)	(30,296)
PROFIT FOR THE YEAR		207,705	321,013	5,903
Effect due to change in accounting estimates		-	113,862	-
PROFIT BEFORE TAXATION		207,705	434,875	5,903
PROVISION FOR TAXATION				
Current year		138,733	127,087	3,943
Prior years		3,799	14,323	108
		142,532	141,410	4,051
PROFIT AFTER TAXATION		65,173	293,465	1,852
Unappropriated profit brought forward		602,564	325,599	17,124
		667,737	619,064	18,976
APPROPRIATIONS				
Dividend - preference shares	29	-	16,500	-
UNAPPROPRIATED PROFIT CARRIED FORWARD		667,737	602,564	18,976
		=====	=====	=====

The annexed notes form an integral part of these accounts.

**STATEMENT OF CHANGES IN FINANCIAL POSITION
(CASH FLOW STATEMENT)
FOR THE YEAR ENDED JUNE 30, 1996**

	1996 (Rupees in thousand)	1995	1996 (US\$ in thousand) (note 31.3)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit before taxation	207,705	434,875	5,903
Adjustments for:			
* Depreciation	2,076,593	1,819,750	59,015
Capital spores scrapage	114,294	71,067	3,248
Profit on disposal of fixed assets	(9,556)	(63,863)	(272)
Effect due to change in accounting estimates	--	(113,862)	--
Reversal of liabilities and advances (note 23 & 24)	(919,469)	--	(26,130)
Operating profit before working capital changes	1,469,567	2,147,967	41,764
(Increase) in current assets	(736,030)	(193,498)	(20,917)
Increase/(decrease) in current liabilities	1,962,272	(250,199)	55,766
(Increase)/decrease in long-term deposits and other receivables	(15,123)	30,366	(430)
(Decrease)/increase in long-term deposits and other liabilities (after adjusting Ra. 919,469 as shown above)	(277,173)	414,028	(7,877)
Cash generated from operations	2,403,513	2,148,664	68,306
Taxes paid	(139,370)	(212,593)	(3,961)
Net cash from operating activities	2,264,143	1,936,071	64,345
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed capital expenditure*	(1,177,765)	(1,419,775)	(33,471)
Sale proceeds on disposal of fixed assets	14,697	147,215	418
(Increase) in long-term investments	--	(54,196)	--
(Increase) in long-term advances	(2,735)	(224,188)	(78)
Net cash used in investing activities	(1,165,803)	(1,550,944)	(33,131)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of long-term borrowings	(1,644,222)	(1,901,675)	(46,727)
Dividend paid	--	(16,500)	--
Net cash used in financing activities	(1,644,222)	(1,918,175)	(46,727)
NET (DECREASE) IN CASH	(545,882)	(1,533,048)	(15,513)
CASH AT BEGINNING OF YEAR	789,858	2,322,906	22,447
CASH AT END OF YEAR	243,976	789,858	6,934
	=====	=====	=====

* Net of exchange difference on long-term loans (note 2.7 & 13.2)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1996

1. STATUS AND ACTIVITY

Pakistan International Airlines Corporation was incorporated on April 18, 1956 under the Pakistan International Airlines Corporation Act, 1956 and its shares are quoted on the stock exchanges in Pakistan. Principal activity of the Corporation is to provide air transport services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These accounts have been prepared under the historical cost convention as modified by capitalization of exchange differences and revaluation of certain fixed assets as indicated in note 2.3.

2.2 Taxation

Charge for current taxation is based on taxable income. The Corporation accounts for deferred taxation under the liability method for all major timing differences likely to be reversed in the foreseeable future (note 28).

2.3 Tangible fixed assets and depreciation

Owed Assets

Fixed assets except leasehold land are stated at cost less accumulated depreciation. Leasehold land is stated at cost.

Cost in relation to aircraft fleet, workshops, hangars and other equipment signifies historical cost and exchange differences arising on conversion of long-term loans, adjusted to the related loan bearing assets. Aircraft fleet and other equipment were revalued in 1974 as described in note 5.

Depreciation is calculated on straight line method to write off the cost or revalued amount of assets including the related net exchange differences over their expected useful lives. In case of aircraft fleet, depreciation is calculated after considering 10 percent of the cost including the related net exchange differences as the residual value at the expiry of their operational lives. Proportionate depreciation is charged from the date of manufacture over a period of 16 years for wide body aircraft and 20 years for narrow body aircraft.

Assets under finance lease and hire purchase

Assets acquired under finance lease and hire purchase are recorded at cost. The Corporation follows the same depreciation policy as is in the case of owned assets.

For assets other than aircraft fleet, full year's depreciation is charged on additions upto December 31 and six months depreciation is charged on additions after December 31. No depreciation is charged on assets disposed off during the year.

Gains and losses on disposal of fixed assets are included in income.

Major repairs and renewals incurred on fully depreciated aircraft and costs incurred on upgradation of aircraft/engines are capitalised (note 2.11). Other repairs and maintenance are charged to income as and when incurred.

2.4 Long-term investments

Long-term investments are valued at cost after providing for any permanent diminution in the market/break-up value of such investments.

2.5 Stores and spares

Stores and spares are valued at moving average cost except goods-in-transit which are valued at cost, and fuel and medical inventories which are valued at first in first out basis.

2.6 Bad and doubtful debts

Known bad debts are written off and provision is made for debts considered doubtful.

2.7 Foreign currencies

Assets and liabilities at the year end are translated at the rates of exchange prevailing at the balance sheet date.

Exchange differences on long-term loans and obligations under hire purchase are capitalized to the related loan bearing assets. All gains/losses on other monetary items are dealt with in the profit and loss account.

2.8 Retirement benefits

Contributions to the funded pension schemes based on actuarial valuation are charged to profit and loss account.

2.9 Traffic pool

Receivables/payables on account of traffic pool arrangements are accounted for on settlement basis.

2.10 Revenue recognition

Passenger ticket sales are recognized as revenue when the transportation is provided. The value of unutilized tickets is determined by the management and is shown as advance against transportation.

All other sales are recognized as and when made.

2.11 Change in accounting policy

Commencing from the current year, the Corporation has started capitalising costs incurred on revitalization of fully depreciated aircraft and costs incurred on upgradation of aircraft as these costs are considered to result in increase of expected useful lives of the aircraft. These costs were expensed out in the past.

Had there been no change in the Corporation's accounting policy in respect of capitalization of such costs, the profit for the year would have been reduced by Rs. 299.82 million.

3. SHARE CAPITAL

	1996 (Rupees in thousand)	1995
Authorised		
449,250,000 ordinary 'A' class shares of Rs. 10 each	4,492,500	4,492,500
1,500,000 ordinary 'B' class shares of Rs. 5 each	7,500	7,500
50,000,000 preference shares of Rs. 10 each	500,000	500,000
	-----	-----
	5,000,000	5,000,000
	=====	=====
Issued		
372,711,778 ordinary 'A' class shares of Rs. 10 each	3,727,118	3,727,118
1,499,999 ordinary 'B' class shares of Rs. 5 each	7,500	7,500
5,000,000 10% cumulative preference shares of Rs. 10 each	50,000	50,000
10,000,000 11 1/2% redeemable cumulative preference shares of Rs. 10 each	100,000	100,000
	-----	-----
	3,884,618	3,884,618
	=====	=====
Subscribed and paid-up ordinary shares		
Issued for consideration in cash		
137,846,268 'A' class shares of Rs. 10 each	1,378,463	1,378,463
1,003,374 'B' class shares of Rs. 5 each	5,017	5,017
	-----	-----
	1,383,480	1,383,480
Issued for consideration other than cash		
931,028 'A' class shares of Rs. 10 each	9,310	9,310
2,625 'B' class shares of Rs. 5 each	13	13
	-----	-----
	9,323	9,323
Issued as bonus shares		
233,934,482 'A' class shares of Rs. 10 each	2,339,345	2,339,345
494,000 'B' class shares of Rs. 5 each	2,470	2,470
	-----	-----
	2,341,815	2,341,815
	-----	-----
	3,734,618	3,734,618
Preference shares		
issued for consideration in cash		
5,000,000 10% cumulative shares of Rs. 10 each	50,000	50,000
10,000,000 11 1/2 % redeemable cumulative shares of Rs. 10 each redeemable at the option of the holders.	100,000	100,000
	-----	-----
	3,884,618	3,884,618
	=====	=====

4. RESERVES

(Rupees in thousand)

	Capital		Revenue		Total
	Reserve for replacement of fixed assets	Capital redemption reserve fund	Others	General	
At July 1, 1995	1,966,779	100,000	284,259	1,779,674	4,130,712
At June 30, 1996	1,966,779	100,000	284,259	1,779,674	4,130,712

4.1 In previous years i.e. upto June 1988 depreciation on fully depreciated aircraft was charged and credited to the Reserve for replacement of fixed assets and excess of sales proceeds over cost of fixed assets disposed off was also credited to aforesaid account. With effect from 1989-90 the Corporation changed this policy to comply with the International Accounting Standards and the excess proceeds over cost of relevant assets are credited to the profit and loss account.

5. SURPLUS ON REVALUATION OF FIXED ASSETS

Consequent to rupee devaluation in 1972, it was considered appropriate to restate the aircraft fleet and other equipment at June 30, 1974 at their historical written down dollar values at the then prevailing exchange rates.

An amount of Rs. 127.6 million arising as a result of this restatement was transferred to surplus on restatement of fixed assets account. In 1986 the balance of Rs. 38.29 million relating to the then existing aircraft fleet and other equipment was transferred to surplus on revaluation of fixed assets account to comply with the Companies Ordinance, 1984. Since 1986,

Rs. 27.65 million has been credited from the above amount to the profit and loss account, as the relevant assets have been sold/disposed off.

6. REDEEMABLE CAPITAL - secured

The long-term finance of Rs. 400 million on mark-up basis from a Pakistani bank is secured by way of hypothecation of stores and spares and equipment. The rate of mark-up is 10.5% p.a. The amount was repayable in June 1996. However, presently the formalities are under process to roll over the facility for another 3 to 5 years and it is expected that the same will be approved by the bank.

7. LONG-TERM LOANS

7.1 All the long-term loans summarised below are denominated in foreign currency:

	1996	1995
	(Rupees in thousand)	
Aircraft loans - secured		
(a) Six B737-300 and spares maturing 1996/97		
Agent: National Westminster Bank Ltd., London	-	160,702
Agent: City Bank (Channel Island) Ltd.	26,559	198,902
(b) One B737-300 (VVIP configuration aircraft) maturing 2004-05		
Agent: National Westminster Bank Ltd., London	669,822	661,392
Other loans - secured		
(c) Airbus A310-300 spares maturing 2000-01		
Agent: Banque Nationale De Paris and others	283,354	300,404
	-----	-----
	979,735	1,321,400
	162,032	455,827
	-----	-----
Less: current maturity	817,703	865,573
	=====	=====

7.2 The Government of Pakistan has guaranteed the repayment of the above loans. Aircraft loans are also secured by charge on the aircraft and other related assets.

7.3 Individual interest rates as required under the Companies Ordinance, 1984 have not been indicated in view of syndicated loans, varying base rates and the margins over the base rates. However, the rates of interest range from 5.42% to 9.06% p.a (1995: 4.81% to 9.63% p.a).

8. OBLIGATIONS UNDER HIRE PURCHASE

Present value of future rental obligations	11,198,680	10,984,509
Less: current maturity	1,339,258	1,090,739
	-----	-----
	9,859,422	9,893,770
	=====	=====

8.1 Six A310-300 aircraft have been acquired under the hire purchase agreements. These aircraft were acquired on 25-06-1991, 30-07-1991, 02-09-1991, 23-09-1992, 21-12-1993 and 11-05-1994.

8.2 The aggregate amount of future rental payments, made up of the amounts payable on account of purchase and consideration for hire in the period in which they become due are as follows:

Year ending			
June,	1996	-	1,935,721
	1997	2,189,628	1,934,488
	1998	2,188,453	1,933,450
	1999	2,317,491	2,047,451
	2000 - 2005	7,881,021	6,962,703
		-----	-----
Aggregate future rental payments		14,576,593	14,813,813
Less: consideration for hire		3,377,913	3,829,304
		-----	-----
Present value of obligations under hire purchase		11,198,680	10,984,509
		=====	=====

8.3 Individual discount rates as required under the Companies Ordinance, 1984 have not been indicated, in view of multiplicity of rental payment tranches. However, the rates of discount range from 6.05% to 9.25% p.a (1995: 6.05% to 9.07% p.a).

8.4 Under the hire purchase financing structure, all or part of the downpayment amounting to 15% of the initial aircraft price, has been financed by the owners through a non-recourse commercial loan secured on PIA owned aircraft.

For the first three A310-300 aircraft, the whole of the 15% downpayment has been secured through a mortgage on one B747-200 aircraft. For the 4th A310-300 aircraft 9% and for the 5th and 6th A310-300 aircraft 15% each of the downpayment has been secured through a mortgage on one A300-B4 aircraft respectively.

8.5 At the expiry of the hire term, the Corporation has an option to purchase each of the A310-300 aircraft at nil price.

9. LONG-TERM DEPOSITS AND OTHER LIABILITIES

	1996	1995
	(Rupees in thousand)	
Deposit (note 9.1)		
From Suppliers	19,477	19,895
Other deposit and retention money	68,477	56,634
	-----	-----
	87,954	76,569
Other Liabilities		
Advance payment for VVIP B737	--	241,825
Airport related charges	354,759	1,320,961
	-----	-----
	354,759	1,562,786
	-----	-----
	442,713	1,639,355
	=====	=====

9.1 The above non-interest bearing deposits are repayable/adjustable in more than one and upto five years.

10. SHORT-TERM LOANS - Unsecured	2,667,698	1,235,845
	=====	=====

10.1 Credit facilities available under short-term finance arrangements and not availed as at June 30, 1996 amounted to Rs. 1,105 million (1995: Rs. 2,624 million). Interest rates range from 4.75% to 18.00% p.a.

11. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Creditors	640,524	786,876
Accrued expenses	2,181,705	1,612,424
Advances received	6,148	3,669
Interest accrued - secured loan	185,845	191,192
Mark-up on redeemable capital	10,500	10,500
Mark-up on short-term finances	21,129	20,800
Custom and central excise duty	137,291	91,328
Taxation	130,249	127,087
Advance against transportation	1,333,568	1,228,473
Dividend-preference shares	19,797	19,797
Others	450,968	491,997
	-----	-----
	5,117,724	4,584,143
	*****	*****

12. CONTINGENT LIABILITIES AND COMMITMENTS

12.1 Contingent liabilities

Contingent liabilities in respect of claims lodged but not acknowledged by the Corporation amounted to Rs. 1,623.07 million (1995: Rs. 646.07 million). The said amount includes claims of various aviation authorities amounting to Rs. 1,360 million. The management of the Corporation is of the view that such claims do not have any merit for recognition as liabilities.

Besides aviation claims, other claims are also not acknowledged by the Corporation as the management does not expect these contingencies to materialize. Some of these claims are covered by the Corporation's insurance policies. The Ministry of Commerce is also claiming import licence fee in respect of licenses issued from 1977 to 1988 aggregating to Rs. 300 million. The Corporation has made representation to concerned authorities and management is confident that on merit of its case, no material liability is likely to arise.

Outstanding guarantees Rs. 1,462.65 million (1995: Rs. 204.29 million)

12.2 Commitments

Capital commitments as at June 30, 1996 amounted to Rs. 218.62 million (1995: Rs. 108.00 million)

Outstanding letters of credit Rs. 439.55 million (1995: Rs. 157.98 million).

13. FIXED ASSETS - tangible

	Cost as at July 1, 1995	Addition/ (disposals/ adjustments)	Cost as at June 30, 1996	Accumulated depreciation as at July 1, 1995	Addition/ (disposals/ adjustments)	Accumulated depreciation as at June, 30, 1995	Book Value as at June 30, 1996	Annual depreciation rate %	
----- Rupees in thousand -----									
Land and buildings									
Leasehold land	42,133	--	42,133	--	--	--	42,133	-	
Buildings on leasehold land	516,824	4,288	521,112	131,337	12,978	144,315	376,797	2.50	
Workshops and hangars	683,396	11,086	694,482	414,859	32,179	447,038	247,444	5	
Renovation and improvements	252,894	4,822 (3,182)	254,534	213,228	27,786 (3,141)	237,873	16,661	20	
Aircraft fleet (note 13.1 & 13.3)	17,172,390	522,122	17,694,512	11,955,844	686,082	12,641,926	5,052,586	5-6.25	
Aircraft fleet - under hire purchase	12,520,913	1,435,858	13,956,771	1,975,056	808,697	2,783,753	11,173,018	6.25	
Operating ground equipment Catering, communication and meteorological equipment	316,959	8,939 (3,352)	322,546	182,868	22,484 (3,067)	202,285	120,261	10	
Engineering equipment & tools	812,666	10,212 (958)	821,920	624,504	38,775 (934)	662,345	159,575	10-20	
Motor transport	327,893	104,314 (22,105)	410,102	256,634	54,277 (18,840)	292,071	118,031	25	
Traffic equipment	931,509	6,727 (14,357)	923,879	552,130	52,291 (14,356)	590,065	333,814	10-20	
Furniture, fixture and fittings	445,227	21,932 (3,154)	464,005	320,130	25,814 (2,431)	343,513	120,492	10	
Office equipment	62,452	2,518 (430)	64,540	49,941	3,894 (429)	53,406	11,134	15	
Computer and office automation	567,666	25,457 (564)	592,559	388,155	47,620 (399)	435,376	157,183	10-20	
Precision engineering equipment	616,182	178,970	795,152	495,169	39,536	534,705	260,447	10	
Printing press equipment	14,245	--	14,245	14,041	125	14,166	79	20	
Reservation equipment	12,866	(247)	12,619	10,271	955 (236)	10,990	1,629	10	
Other equipment (note 13.3)	390,012	1,577 (148)	391,441	186,852	26,524 (148)	213,228	178,213	10	
Capital spares	2,281,748	341,947 (219,050)	2,404,645	694,520	196,576 (104,131)	786,965	1,617,680	8.33-10	
	37,967,975	2,680,769 (267,547)	40,381,197	18,465,539	2,076,593 (148,112)	20,394,020	19,987,177		
	1995	36,782,382	1,736,181 (550,588)	37,967,975	17,144,131	1,705,888 (384,481)	18,465,538	19,502,437	
		*****	*****	*****	*****	*****	*****	*****	

13.1 Includes a B737-300 aircraft acquired in 1992 which is on lease to GOP.

13.2 Additions to aircraft fleet include exchange differences of Rs. 1,516.728 million (1995: Rs. 185.328 million) arising on translation of

long-term loans and obligations under hire purchase.

13.3 Aircraft fleet and other equipment represent values subsequent to restatement at June 30, 1974 with additions thereafter stated at cost. Had there been no restatement on that date, the values would have been as follows:

	Cost as at June 30, 1996	Accumulated depreidation	Book value as at June 30, 1996
Rupees in thousand			
Aircraft fleet	17,668,236	12,623,994	5,044,242
Other equipment	387,820	211,903	175,917
	18,056,056	12,835,897	5,220,159
1995	17,532,505	12,123,439	5,409,066

13.4 The following fixed assets were disposed off/adjusted/exchanged during the year:

	Cost	Accumulated depreciation	Net book value	Sale/insurance proceeds
('-----Rupees in thousand-----')				
Operating ground equipment				
Auction	15,344	15,331	13	4,599
Adjustments	10,090	9,745	345	-
Negotiation/exchange	15,344	12,127	3,217	8,303
	40,778	37,203	3,575	12,902
Other ground equipment				
Adjustments	3,382	3,186	196	-
Negotiation/exchange	1,007	303	704	631
	4,389	3,489	900	631
Other equipment				
Auction	3,271	3,254	17	-
Negotiation/exchange	59	35	24	22
	3,330	3,289	41	22
Capital spares				
Disposal	1,142	517	625	1,142
Scrappage	217,908	103,614	114,294	-
	219,050	104,131	114,919	1,142
	267,547	148,112	119,435	14,697
1995	550,588	384,479	166,109	147,215

Sales of fixed assets are made through disposal committee strictly in accordance with the laid down procedures. In view of large number of purchasers, management considers it impractical to disclose the particulars required under Companies Ordinance, 1984.

14. CAPITAL, WORK-IN-PROGRESS

	1996	1995
(Rupees in thousand)		
Buildings	15,157	16,300
Other projects/equipment	27,676	16,352
Renovation and improvements	5,062	1,429
	47,895	34,171

15. LONG-TERM INVESTMENTS

	1996		1995	
	Market value/ break-up value	Percentage of shareholding	Fully paid ordinary shares	
	1996	1995	1996	1995
(Rupees in thousand)				
SUBSIDIARIES - unlisted				
PIA Holdings (Pvt.) Limited (under voluntary winding-up) (note 16.1)				
Shares of Rs. 100 each	33,819	33,819	100	750,000
Advance against equity				
				75,000
				376
				75,376
				75,376
ASSOCIATED COMPANIES - unlisted				
OVERSEAS - Sharjah				
Minhal Incorporated				
Shares of DH 100 each	14,653	14,653	40	1,600
PIA Investments Limited				
Shares of DH 100 each				
(note 15.1 & 16.2)	932,680	939,254	50	400,000
				213,902
				214,298
OTHERS				
PAKISTAN				
Pakistan Services Limited -listed				
Shares of Rs. 10 each	37,161	4,251	--	142,904
Pakistan Tourism Development Corporation Limited - unlisted				
Shares of Rs. 10 each				100
				1,295
				290,969

15.1 This includes Rs. 114.90 million (1995: Rs. 114.90 million) advanced to PIA Investments Limited for which shares have not yet been issued.

16. LONG-TERM ADVANCES - Unsecured - considered good

	1996	1995
	(Rupees in thousand)	
FIA Holdings (Pvt.) Limited (under voluntary winding-up) Subsidiary (note 16.1)	107,263	104,528
FIA Investments Limited - Associated (note 16.2)	1,230,368	1,230,368
	-----	-----
	1,337,631	1,334,896
	=====	=====

16.1 No provision against investment and advance against equity of Rs. 75.38 million and balance due of Rs. 107.26 million given to FIA Holdings (Pvt.) Limited (under voluntary winding-up) has been made as the management believes that the value of land owned by the subsidiary of FIA Holdings (Pvt.) Limited (under voluntary winding-up) carries significantly higher value as compared to the aggregate investment made by the Corporation.

16.2 Long-term advances include Rs. 1,006.87 million (1995: Rs. 792.44 million) which are outstanding for more than three years. The management believes that the amount is fully recoverable, hence no provision is required thereagainst.

16.3 Maximum amount due from a subsidiary and an associated company at any month end was Rs. 1,337.63 million (1995: Rs. 1,334.90 million).

17. LONG-TERM DEPOSITS AND OTHER RECEIVABLES

Deposits		
Rent	43,642	44,954
Aircraft fuel	11,525	9,405
Utilities	6,751	5,127
Postage and telephone	2,529	2,420
Miscellaneous	45,843	38,333
	-----	-----
	110,290	100,239
Other receivables		
Promissory notes issued by the Nigerian Government	96,881	91,809
	-----	-----
	207,171	192,048
	=====	=====

18. STORES AND SPARES

Stores	472,788	371,168
Spares	2,656,245	2,554,698
Goods-in-transit	142,454	73,038
	-----	-----
	3,271,487	2,998,904
	=====	=====

19. TRADE DEBTS

	1996	1995
	(Rupees in thousand)	
Considered good	2,526,660	2,049,395
Considered doubtful	116,358	151,358
Less: Provision for doubtful debts	116,358	151,358
	-----	-----
	-	-
	-----	-----
	2,526,660	2,049,395
	=====	=====

19.1 Trade debts include debts due from Government agencies, other airlines and IATA approved agents. Certain portion of trade debts is secured by bank guarantees received from agents but due to very large number of agents all over the world the amount of secured debts is not determinable.

20. ADVANCES, DEPOSITS AND PREPAYMENTS - considered good

Advances to		
Associated company (note 20.1)	9,238	8,803
Employees (note 20.2)	103,944	66,318
Suppliers	145,679	102,159
Others	45,153	38,219
	-----	-----
	304,014	215,499
Trade deposits	53,250	65,409
Prepayments	218,800	186,433
	-----	-----
	576,064	467,341
	=====	=====

20.1 Maximum amount due from an associated company at any month end was Rs. 9.24 million (1995: Rs. 8.80 million).

20.2 This includes Rs. 20.78 million (1995: Rs. 13.26 million) due from executives in respect of advances for expenses and furniture etc., in accordance with terms of employment. The maximum aggregate amount of advances due from the executives at the end of any month during the year was Rs. 20.78 million (1995: Rs. 13.26 million).

21. OTHER RECEIVABLES

Interest	7,898	19,114
Insurance and other claims	178,201	47,752
Others (including Rs. 75.81 million due from subsidiaries)	825,128	1,066,902
	-----	-----
	1,011,227	1,133,768
	=====	=====

22. CASH AND BANK BALANCES

	1996	1995
	(Rupees in thousand)	
With banks		
On current accounts (note 22.1)	224,920	179,312
On short-term deposit accounts	10,494	590,643
In hand	1,866	1,734
In transit	6,996	18,169
	-----	-----
	243,976	789,858

22.1 Includes Rs. 115.78 million held in PIA bank accounts in Iraqi and Libyan banks which are not currently repatriable due to United Nations sanctions.

REVENUES

Operating		
Passenger	21,666,483	19,956,059
Excess baggage	765,085	827,114
Freight	3,121,520	2,992,186
Mail	136,331	127,746
Charters	193,564	70,227
Engineering services	86,702	71,424
	25,969,685	24,044,756

Others		
Aircraft lease earnings (note 23.1)	245,978	275,764
Income from subsidiaries	39,835	56,107
Other revenues	1,249,184	1,040,729
Write back of advance against WVIP aircraft considered no more payable	241,825	-
	1,776,822	1,372,600
	27,746,507	25,417,356
	=====	=====

23.1 Represent compensation by GOP on account of debt servicing and other related cost for the aircraft leased out.

24. COSTS AND EXPENDITURE

Staff (note 24.1)	8,466,575	7,090,687
Aircraft fuel & oil	5,901,257	4,943,449
Maintenance & overhaul	2,418,524	2,654,804
Landing & handling	3,590,698	3,432,580
Passenger services	1,478,362	1,538,695
Insurance	566,732	602,499
Advertising & selling	460,771	431,040
Rent, rates & taxes	365,293	324,162
General administration & others	1,724,962	1,265,222
Bad debts written off	627	852
Depreciation	2,076,593	1,819,750
	27,050,394	24,103,740
Provision for bonus to employees	100,000	95,000
	27,150,394	24,198,740
Less: Reversal of excess provisions for aeronautical charges	677,644	--
	26,472,750	24,198,740
	=====	=====

24.1 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	1996	1995	1996	1995
	(Rupees in thousand)			
Managerial remuneration	288	217	752,141	518,373
Corporation's contribution to provident fund	5	-	22,863	14,794
Reimbursement of entertainment and transport expenses	38	-	2,958	2,916
Rent and other Facilities	269	330	39,766	104,170
	600	547	817,728	640,253
	=====	=====	=====	=====
Number of executives	1	1	1891	1247

The directors other than the Chief Executive are non-executive directors and these directors are not paid the director's fees. In addition to above, the Chief Executive and some other executives are provided with company maintained cars.

24.2 AUDITORS' REMUNERATION

	1996		1995	
	Sidat Hyder Qamar Magbool & Co.	Ford, Rhodes, Robson, Morrow	Sidat Hyder Qamar Magbool & Co.	Ford, Rhodes, Robson, Morrow
	(Rupees in thousand)			
Statutory audit	120	120	120	120
Other accounting related services	300	300	300	300
Expenses	60	60	60	60
	480	480	480	480
	=====	=====	=====	=====

	1996		1995	
	(Rupees in thousand)			
25, FINANCIAL CHARGES				
Interest on long-term loans		79,901		114,613
Interest on short-term loans		121,412		111,748
Mark-up on redeemable capital		42,000		42,000
Consideration for hire purchase		912,669		882,268
Bank charges, guarantee commission, commitment fee and other related charges		11,796		39,662
		1,167,778		1,190,291
		=====		=====

26. INTEREST AND OTHER INCOME

From subsidiaries (note 26.1)	--	15,545
On short-term deposits	57,551	108,885
Exchange (loss)/gain	(381)	59,940
	-----	-----
	57,170	184,370
	*****	*****

26.1 During the year the Corporation has decided not to charge interest to a particular subsidiary company and also not to accept expenses intimated by such subsidiary

27. PROFIT ON DISPOSAL OF FIXED ASSETS

Profit as per disposal of assets (note 13.4) (excluding book value of scrapped spares charged off to repair and maintenance)	9,556	52,173
Surplus on revaluation of fixed assets released on disposal of assets	--	11,690
	-----	-----
	9,556	63,863
	*****	*****

28. TAXATION

The Corporation's income tax assessments have been finalised upto and including assessment year 1993-94. A provision of Rs. 138.73 million (1995:127.09 million) has been made on account of minimum tax for the current year.

Deferred taxation arising due to timing differences computed under the liability method is estimated at Rs. 4,901 million (1995: Rs. 3,920 million) of which Rs. 981 million addition is in respect of the current year (1995: Rs. 387 million). The liability for deferred taxation has not been provided for in these accounts as the management considers that the timing differences are not likely to reverse in the foreseeable future due to capital expenditure plans of the Corporation.

29. PROPOSED DIVIDEND - preference shares

10% Cumulative preference shares	--	5,000
11.5% Redeemable preference shares	--	11,500
	-----	-----
	--	16,500
	*****	*****

30. GEOGRAPHICAL SEGMENTS

The analysis of material amounts of traffic revenue is as follows:

International		
USA/Canada	2,077,381	1,768,961
Europe	4,414,434	3,799,558
Middle East/Africa	6,232,143	5,951,787
Asia (excluding Pakistan)	3,116,011	2,562,850
Domestic		
Pakistan	10,042,954	9,890,176
	-----	-----
	25,882,983	23,973,332
	*****	*****

The analysis of turnover by origin is derived by allocating revenue to the area in which the sale was made.

Geographical analysis of net assets:

The major revenue earning assets comprise the aircraft fleet, all of which are registered in Pakistan. Since the fleet of the Corporation is employed flexibly across its worldwide route networks, there is no suitable basis of allocating such assets and related liabilities to geographical segments.

31. GENERAL

31.1 The Corporation purchased from subsidiaries and associated companies, goods, materials and services in the aggregate sum of Rs. 148.12 million (1995: Rs. 143.87 million). The Corporation's sales to subsidiaries and associated companies are not determinable. However, all such sales are in the normal course of business.

31.2 The information as to the available capacity and utilization thereof during the year has been disclosed in the five-year summary annexed to the accounts.

31.3 The US Dollar amounts shown in the financial statements are solely stated for convenience and do not represent Pakistani Rupees that could be converted into US Dollars. These amounts have been arrived at by converting rupee amounts at the rate of Rs. 35.18775 = US\$ 1.

**STATEMENT UNDER SECTION 237
OF THE COMPANIES ORDINANCE, 1984**

(Rupees in thousand)

PIA Holdings (Pvt.) Ltd. (under voluntary winding-up)	Midway House (Pvt.) Ltd.	PIA Shaver Poultry Breeding Farms (Pvt.) Ltd.	PIA Hotels Ltd.	International Advertising (Pvt.) Ltd.	Duty Free Shops Ltd.	Skyrooms (Pvt.) Ltd.
--	--------------------------------	--	-----------------------	---	-------------------------	-------------------------

BASED ON AUDITED ACCOUNTS

STATEMENT UNDER SUB-SECTION 1(e)

(a) Extent of the interest of PIAC (the holding Company) in the equity of its subsidiaries at the end of the last of the financial years of the subsidiaries.

100%	100%	100%	100%	100%	55%	100%
------	------	------	------	------	-----	------

(b) The net aggregate amount of revenue profits less losses of the subsidiary companies so far as these concern members of the holding company and has not been dealt with in the accounts of the holding company for the year ended June 30, 1996, are:

(i) for the last of the financial years of the subsidiaries.	-	(37,026)	(6,580)	(43)	2,414	(14,781)	(27,915)
--	---	----------	---------	------	-------	----------	----------

(ii) for the previous years upto

June 30, 1996 but subsequent to the acquisition of the controlling interest by the holding company.	(41,557)	(103,977)	(124,933)	(24,942)	(4,280)	10,223	(66,599)
(c) The net aggregate amount of profits less losses of the subsidiary companies so far as these have been dealt with or provision made for losses in the account of the holding company for the year ended June 30, 1996.							
(i) for the last of the financial years of the subsidiaries.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) for the previous years upto June 30, 1996 but subsequent to the acquisition of the controlling interest by the holding company.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

FIVE-YEAR SUMMARY

(Year ended June 30)

OPERATION							
Route Kilometres	310,205	353,221	303,321	270,535	258,558		
Revenue Kilometres Flown (000)	74,288	72,544	69,024	69,377	66,570		
Revenue Hours Flown	138,014	134,683	131,122	132,775	127,423		
Available Tonne Kilometres (000)	2,525,900	2,452,504	2,347,245	2,352,071	2,265,432		
Available Seat Kilometres (000)	16,572,919	15,847,693	15,159,016	15,732,650	15,066,498		
TRAFFIC							
Revenue Passengers Carried (000)	5,399	5,517	5,645	5,780	5,584		
Revenue Passengers Kilometres (000)	10,592,323	10,382,398	10,108,486	10,102,409	9,925,247		
Passenger Load Factor	63.9%	65.5%	66.7%	64.2%	65.9%		
Revenue Freight Tonne Kilometres	430,027	453,135	432,687	400,122	386,222		
Kgs. of Excess Baggage & Cargo (000)	121,151	127,082	124,981	115,626	107,882		
Kgs. of Mail (000)	1,709	1,814	2,227	2,690	2,791		
Revenue Tonne Kilometres (000)	1,402,311	1,408,345	1,365,011	1,333,108	1,303,528		
Revenue Load Factor	55.5%	57.4%	58.2%	56.7%	57.5%		
Avg. Pax Stage Distance (Statute Kms)	1,962	1,882	1,791	1,748	1,777		
FINANCIAL							
Operating Revenue (Rs. in Million)	27,746.51	25,417.36	23,839.04	21,969.65	20,440.56		
Operating Expenses (Rs. in Million)	26,472.75	24,198.74	23,024.35	21,346.76	19,860.63		
Operating Income (Rs. in Million)	1,273.76	1,218.62	814.69	622.89	1,579.93		
Cost per A.T.K. (Rs.)	10.48	9.87	9.81	9.08	8.33		
Fixed Assets (Rs. in Million)	20,035.07	19,536.61	19,803.50	15,394.88	13,379.23		
Current Assets (Rs. in Million)	7,629.41	7,439.27	8,778.82	7,934.29	6,613.94		
Current Liabilities (Rs. in Million)	9,286.71	7,366.56	7,846.61	7,426.31	6,583.22		
Long-Term Debts (Rs. in Million)	11,077.12	11,159.34	12,717.02	8,763.35	6,934.09		
Net Worth (Rs. in Million)	6,683.07	8,617.89	8,340.93	8,217.96	7,595.46		
PERSONNEL							
Average Number of Employees	21,181	20,688	20,382	20,544	20,813		
Revenue per Employee (Rs.)	1,309,972	1,228,604	1,169,612	1,069,395	982,105		
A.T.K per Employee	119,253	118,547	115,163	114,489	108,847		

PATTERN OF SHAREHOLDING AS AT JUNE 30, 1996

NO. OF SHAREHOLDERS	SHAREHOLDING FROM	TO	TOTAL SHARES HELD		PREFERENCE SHARES OF RS. 10/- EACH
			ORDINARY CLASS SHARES RS. 10/- EACH	ORDINARY 'B' CLASS SHARES OF RS. 5/- EACH	
9,706	1	100	215,447	9,011	
26,944	101	500	5,562,773	6,179	
3,771	501	1000	2,647,625	5,183	
4,598	1001	5000	9,221,482	4,478	
572	5001	10000	3,612,162	3	
115	10001	15000	1,333,961	2	
64	15001	20000	1,050,320	11,322	
16	20001	25000	349,643		
16	25001	30000	434,439		
13	30001	35000	403,184		
2	35001	40000	71,725	100	
8	40001	45000	338,158		
7	45001	50000	328,675		
4	50001	55000	217,578		
5	55001	60000	282,580		
1	60001	65000	63,235		
5	65001	70000	334,925		
2	75001	80000	152,943		
1	80001	85000	84,339		
2	90001	95000	186,700		
1	95001	100000	96,156		
1	100001	105000	103,590		
1	105001	110000	108378		
2	110001	115000	111,382		
1	115001	120000	236,536		
1	120001	125000	120,477		
1	130001	135000	134,944		
1	135001	140000	135,036		
1	140001	145000	144,100		
1	155001	160000	158,838		
1	165001	170000	165,184		
1	185001	190000	189,702	303	
1	190001	195000	192,679	903	
1	225001	230000	228,992		
1	245001	250000	247,505		
1	270001	275000	272,973		
1	330001	335000	332,146		
1	340001	345000	344,256		

2	360001	365000	726,683		
2	370001	375000	744,770		
1	385001	390000	387,601		
1	465001	470000	469,812		
1	510001	515000	510,423		
1	515001	520000	517,583		
1	565001	570000	567,504		
1	630001	635000	630,066		
1	740001	745000	743,788		
1	870001	875000	874,488		
1	920001	925000	920,751		
1	985001	990000	985,208		
1	1015001	1020000	1,018,755		
1	1840001	1845000	1,842,387		
1	2380001	2385000	2,383,651		
1	2495001	2500000	2,497,778		
1	2965001	2970000	2,969,616		
1	3060001	3065000	3,060,249		
1	3160001	3165000	3,161,832		
1	6450001	6455000	6,450,972		
2	20260001	20265000	40,521,626		
1	47275001	47280000	47,275,215	5,000,000	
1	223235001	223240000	223,236,242	1,462,515	10,000,000
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45,897			372,711,778	1,499,999	15,000,000
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CATEGORIES OF SHAREHOLDERS	SHARES HELD				
	NOS.	ORDINARY 'A'	ORDINARY 'B'	PREFERENCE	PERCENTAGE
		CLASS SHARES OF RS 10/-EACH	CLASS SHARES OF RS 5/- EACH	SHARES OF RS. 10/- EACH	
Government of Pakistan	1	223,236,242	1,462,515	--	57.66
Financial Institutions	14	98,078,539	100	15,000,000	29.11
Individuals	45,733	28,232,696	33,538	--	7.27
Investment Companies	17	8,002,181	3,535	--	2.06
Insurance Companies	11	5,466,951	--	--	1.41
Foreign Companies	42	7,202,227	--	--	1.85
Joint Stock Companies	69	2,179,112	8	--	0.56
Modaraba	9	124,128	--	--	0.03
Others	1	189,702	303	--	0.05
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Total	45,897	372,711,778	1,499,999	15,000,000	100.00
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