



ANNUAL REPORT 2024

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VISION

A stylized yellow eye icon with a black outline, positioned between the letters 'I' and 'O' in the word 'VISION'.

To manage the entrusted responsibilities efficiently and systematically, with a focus on strong corporate governance. We aim to make informed decisions on financial matters and assets management, in compliance with statutory and regulatory framework, ensuring accountability and excellence.

MISSION

A stylized yellow target icon with a black outline, positioned between the letters 'I' and 'O' in the word 'MISSION'.

Integration:

Integrating and managing business segments, subsidiaries, and associates alongside their assets and liabilities.

Organizational Efficiency:

Creating a lean and efficient structure to effectively manage allocated shares, liabilities, including restructured debt stock, SOE payables and subsidiary proceeds.

Asset Management:

Maintaining and disposing off properties in line with the established procedures.

Shared-services Provision:

Providing shared and value-added services to third parties.

NOTICE OF FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the First Annual General Meeting of the Members of **PIA Holding Company Limited (PIAHCL)** will be held at **11:00 AM, on Tuesday, August 19, 2025, at Pearl Continental Hotel, Rawalpindi, as well as through video link facility** to transact the following business:

Ordinary Business

- To receive and adopt the Audited Financial Statements for the year ended December 31, 2024, together with Chairman's Review, Directors' and Auditors' Reports thereon.
- To appoint external Auditors for the financial year 2025 and fix their remuneration.
- To transact any other business with the permission of the Chair.

As required under Section 223(7) of the Companies Act 2017, the Audited Financial Statements of the Company for the year ended December 31, 2024, together with Chairman's Review, Directors' and Auditors' Reports thereon have been uploaded on the website of the Company which can be downloaded from the following website link and QR Code:

<https://piahcl.com.pk/investor-information.html>



By Order of the Board
Rao Muhammad Imran
Company Secretary

Islamabad: July 29, 2025

NOTES:

- Apart from accessibility through the abovementioned link, the Annual Report 2024 will also be circulated to the members through their emails as maintained with the PIA Holding Company Limited (the "Company") and is also accessible through the website of the Company www.piahcl.com.pk.

Notice of Book Closure

- Share Transfer Books will be closed from **Tuesday, August 12, 2025 to Tuesday, August 19, 2025 (both days inclusive)** when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of PIAHCL's Share Registrar/ Transfer Agent viz CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi up to 5:00 pm on **Monday, August 11, 2025** will be treated in time for the purpose of exercising the right of vote.

For Attending The Meeting

- In case of individuals, the account holder or sub-account holder and/or the person whose registration details are uploaded as per CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

For Appointing Proxies

- Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as their proxy to attend and vote on their behalf. Corporate entities, however, may appoint a proxy who need not to be a member. Proxies must be submitted at the Company's Registered Office at least 48 hours prior to the meeting. Proxy forms, available in both English and Urdu, can be downloaded from the Company's website at www.piahcl.com.pk
- Individual account holders or sub-account holders registered under CDC Regulations must authenticate their identity by presenting their original CNIC or passport at the meeting. For corporate entities, a Board of Directors' Resolution or Power of Attorney with a specimen signature of the nominee must also be presented, unless previously submitted. CDC account holders are required to adhere to SECP guidelines outlined in Circular 01 dated January 26, 2000.
- Proxy forms must be witnessed by two individuals, with their names, addresses, and CNIC numbers included. Attested copies of the CNIC or passport of the beneficial owner and proxy must accompany the Proxy Form and the proxy must present their original CNIC or passport at the meeting. For corporate entities, the required Board Resolution or Power of Attorney, along with the Proxy Form, must be submitted to the Company unless already provided.

Change of Address

- Shareholders (holding physical scrips) are requested to promptly notify any change in their address to CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi.

Conversion of Shares into Book-Entry Form

- As per Section 72 of the Companies Act, 2017, all listed companies are required to replace physical shares with book-entry form within four years from the promulgation of the Companies Act, 2017. Furthermore, SECP vide its letter No. CSD/ED/Misc/2016-639-640, dated March 26, 2021, had advised to comply with Section 72 of the Act and encourage shareholders to convert their physical shares into book-entry form. Accordingly, all shareholders of the Company having physical shares are requested to convert their shares into book-entry form at the earliest. The shareholders may contact the Company or Share Registrar, CDC Share Registrar Services Limited (CDCSR) for the conversion of physical shares into book-entry form.

Online Participation

- As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the Annual General Meeting. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney (in case of corporate shareholders) with the subject "Registration for PIA Holding Company Limited - First Annual General Meeting" through email cdcsr@cdcsrsl.com or **Whatsapp No. 0321-8200864** at least 24 hours before the time and date of Meeting:

Name of Member	CNIC No.	CDC Account No. / Folio No.	Cell Number	Email Address

The members who are registered after the necessary verification, shall be provided a video link by the Company through return email. The Login facility will remain open from start of the meeting till its proceedings are concluded.

Restriction on Distribution of Gifts, Coupons / Vouchers or Any Other Form of Gift

- In compliance with Section 185 of the Companies Act, 2017 and SECP directives vide S.R.O. 452(I)/2025 dated March 17, 2025, NO GIFTS, CASH, COUPONS / VOUCHERS OR ANY OTHER FORM OF GIFT WILL BE DISTRIBUTED at the Annual General Meeting.

نوٹس برائے پہلا سالانہ اجلاس عام

تمام حصص یافتگان کو مطلع کیا جاتا ہے کہ پی آئی اے ہولڈنگ کمپنی لمیٹڈ (پی آئی اے ایس ایچ سی ایل) کا پہلا سالانہ اجلاس عام بروز منگل مورخہ 19 اگست 2025 کو صبح 11:00 بجے، پرل کانسٹیٹینٹل ہوٹل، راولپنڈی میں اور بذریعہ ویڈیو لنک منعقد کیا جائے گا، جس میں درج ذیل امور زیر غور آئیں گے:

- 1- 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آؤٹ شدہ مالیاتی گوشوارے، ڈائریکٹرز کی رپورٹ، آڈیٹرز کی رپورٹ اور چیئرمین کی جائزہ رپورٹ کی وصولی اور منظوری۔
 - 2- مالی سال 2025 کے لیے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین۔
 - 3- چیئرمین کی منظوری سے دیگر کاروباری امور کی انجام دہی۔
- کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے تحت درکار تقاضے کے مطابق، کمپنی کے 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے آؤٹ شدہ مالیاتی گوشوارے، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ ساتھ چیئرمین کی جائزہ رپورٹ، کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں، جنہیں درج ذیل ویب سائٹ لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے:



<https://piahcl.com.pk/investor-information.html>

بحکم بورڈ

راؤ محمد عمران

کمپنی سیکریٹری

اسلام آباد

مورخہ: 29 جولائی 2025ء

گزارشات:

- i- درج بالا لنک کے ذریعے رسائی کے علاوہ سالانہ رپورٹ 2024ء کمپنی کے ریکارڈ کے مطابق ممبران کو ان کے رجسٹرڈ ای میل ایڈریس پر بھی ارسال کی جائے گی۔ اس رپورٹ میں سالانہ اجلاس عام کا نوٹس بھی شامل ہے، جو کمپنی کی ویب سائٹ www.piahcl.com.pk پر بھی دستیاب ہے۔
- ii- کتب بندش کا نوٹس: منتقلی حصص کی کتب بروز منگل، 12 اگست 2025ء سے بروز منگل، 19 اگست 2025ء تک بند رہیں گی (دونوں دن شامل ہیں)۔ اس دوران کسی بھی قسم کی رجسٹریشن کے لیے حصص کی منتقلی قبول نہیں کی جائے گی۔ تمام درست اور مکمل حصص کی منتقلی جو بروز جمعہ، 11 اگست 2025ء شام 5:00 بجے تک کمپنی کے شیئر رجسٹر / انٹرنیشنل رجسٹر یعنی سی ڈی سی شیئر رجسٹر اور سروسز لمیٹڈ، سی ڈی سی ہاؤس، پی-99، بلاک بی، ایس ایم سی ایچ ایس، مین شاہرہ فیصل، کراچی کو موصول ہوں گی، وہ منگل کے حق کے لیے بروقت شمار کی جائیں گی۔
- iii- اجلاس میں شرکت کے لیے ہدایات: انفرادی حصص یافتگان یا ان کے ذیلی اکاؤنٹ ہولڈرز، جن کی تفصیلات سی ڈی سی قوانین کے تحت جمع کرائی گئی ہوں، کو اجلاس میں شرکت کے وقت اپنی اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرنا ہوگی۔
- iv- کارپوریٹ اداروں کے لیے لازم ہے کہ وہ اجلاس میں شرکت کے وقت اپنے بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد نامزد نمائندے کے دستخطی نمونہ پیش کریں (اگر پہلے سے جمع نہیں کروایا گیا ہو)۔
- v- ہر کسی مقرر کرنے کا طریقہ کار: کوئی بھی رکن، جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، کسی دوسرے رکن کو اپنی طرف سے ہر کسی مقرر کر سکتا ہے تاکہ وہ اجلاس میں شریک ہو کر ووٹ دے سکے۔ کارپوریٹ ادارے کسی غیر رکن کو بھی ہر کسی مقرر کر سکتے ہیں۔ ہر کسی فارم کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کروانا ضروری ہے۔ یہ فارم اردو اور انگریزی دونوں زبانوں میں کمپنی کی ویب سائٹ www.piahcl.com.pk سے ڈاؤن لوڈ کیے جاسکتے ہیں۔
- vi- وہ انفرادی اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز جو سی ڈی سی قواعد کے تحت رجسٹرڈ ہیں، کو اجلاس میں اپنا اصل CNIC یا پاسپورٹ دکھا کر شناخت کی تصدیق کرنا ہوگی۔ کارپوریٹ اداروں کو لازماً بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد دستخطی نمونہ پیش کرنا ہوگا (اگر پہلے سے فراہم نہ کیا ہو)۔ سی ڈی سی اکاؤنٹ ہولڈرز کے لیے ایس ای سی پی کے سرکلر نمبر 01 مورخہ 26 جنوری 2000 کی ہدایات پر عمل کرنا ضروری ہے۔
- vii- ہر کسی فارم دو گواہوں کی موجودگی میں دستخط شدہ ہونا چاہیے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں۔ ہر کسی فارم کے ساتھ سینٹیفیکل مالک اور ہر کسی کی CNIC یا پاسپورٹ کی تصدیق شدہ نقول منسلک ہونی چاہئیں اور ہر کسی کو اصل CNIC یا پاسپورٹ بھی ہمراہ لانا ہوگا۔ کارپوریٹ ادارے لازماً بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی کے ساتھ ہر کسی فارم کمپنی کو جمع کروائیں (اگر پہلے سے جمع نہ کروایا گیا ہو)۔
- viii- پتے کی تبدیلی: وہ حصص یافتگان جو فزیکل شیئر سرٹیفیکیٹس رکھتے ہیں، ان سے گزارش ہے کہ اگر ان کے پتے میں کوئی تبدیلی ہو تو فوری طور پر اس کی اطلاع سی ڈی سی شیئر رجسٹر اور سروسز لمیٹڈ، سی ڈی سی ہاؤس، پی-99، بلاک بی، ایس ایم سی ایچ ایس، مین شاہرہ فیصل، کراچی کو دیں۔

حصص کو الیکٹرانک فارم میں تبدیل کرنے سے متعلق ہدایت:

- ix- کمپنیز ایکٹ 2017ء کے سیکشن 72 کے مطابق، تمام لسٹڈ کمپنیوں کے لیے لازم ہے کہ وہ فزیکل حصص کو قانون کے نفاذ کے چار سال کے اندر الیکٹرانک (ڈیجیٹل حصص) میں منتقل کریں۔ مزید برآں، ایس ای سی پی کے مراسلہ نمبر CSD/ED/Misc/2016 کے مطابق، تمام لسٹڈ کمپنیوں کے لیے لازم ہے کہ وہ اپنے فزیکل حصص کو جلد از جلد الیکٹرانک میں منتقل کریں۔ اس حوالے سے کمپنی یا شیئر رجسٹر اور سی ڈی سی شیئر رجسٹر اور سروسز لمیٹڈ سے رابطہ کیا جاسکتا ہے۔

آن لائن شرکت:

- x- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق، کمپنی نے سالانہ اجلاس عام میں اراکین کی آن لائن شرکت کے لیے ویڈیو لنک کی سہولت فراہم کی ہے۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے خواہشمند اراکین سے درخواست ہے کہ وہ درج ذیل معلومات کے ساتھ اپنا اندراج کروائیں، اور قومی شناختی کارڈ / پاسپورٹ کی درست کاپی، نیز کارپوریٹ حصص یافتگان کے لیے بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی کی تصدیق شدہ کاپی بھی فراہم کریں۔ درخواست ای میل ایڈریس cdcsr@cdcsrsl.com یا ایس ایچ ایس نمبر 8200864-0321 پر اجلاس کی تاریخ اور وقت سے کم از کم 24 گھنٹے قبل بھیجی جائے۔

حصص یافتہ کا نام	شناختی کارڈ نمبر	سی ڈی سی اکاؤنٹ / فلیو نمبر	موبائل نمبر	ای میل ایڈریس

وہ اراکین جن کا اندراج تصدیق کے بعد مکمل ہوا ہے، انہیں کمپنی کی جانب سے جو ابلی ای میل کے ذریعے ویڈیو لنک مہیا کر دیا جائے گا۔ اجلاس شروع ہونے سے لے کر اختتام تک لاگ ان کی سہولت دستیاب رہے گی۔

تحفہ، کوپن / واؤچر یا کسی بھی قسم کے تحائف کی تقسیم پر پابندی:

- xi- برطانیہ کمپنیز ایکٹ 2017 کی شق نمبر 185 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ہدایت نامہ S.R.O. 452(I)/2025 مورخہ 17 مارچ 2025ء کے تحت، سالانہ اجلاس عام کے دوران کسی بھی قسم کے تحائف، نقد رقم، کوپن، واؤچر، خواہ کسی بھی قسم کے ہوں تقسیم نہیں کئے جائیں گے۔

CORPORATE PROFILE

As on July 28 2025

BOARD OF DIRECTORS

Mr Tariq Bajwa

Chairman

Lt Gen (Retd) Muhammad Ali HI(M)

Federal Secretary Defence

Mr Imdad Ullah Bosal

Federal Secretary Finance

Mr Shazad Dada

Mr Naeem Iqbal

Mr Yousaf Khosa

Mr Javed Kureishi

Syed Zibber Mohiuddin

Mr Asad Rasool

Chief Executive Officer

Mr Hammad Shamimi

Federal Secretary Privatisation

BOARD AUDIT & FINANCE COMMITTEE

Mr Shazad Dada Chairman

Mr Javed Kureishi Member

Mr Imdad Ullah Bosal Member

Syed Zibber Mohiuddin Member

BOARD HR & LEGAL COMMITTEE

Mr Yousaf Khosa Chairman

Mr Naeem Iqbal Member

Mr Asad Rasool Member

Chief Executive Officer

CHIEF EXECUTIVE OFFICER

Mr Asad Rasool

REGULATORY APPOINTEES

Mr Amos Nadeem

Chief Financial Officer

Rao Muhammad Imran

Company Secretary

EXECUTIVE MANAGEMENT

Mr Amos Nadeem

Chief Financial Officer

Mr Athar Hussain

Chief Human Resource Officer

Syed Qamar Maqbool

General Manager Coordination / Asset Management

EXTERNAL AUDITOR

Grant Thornton Anjum Rahman

(Chartered Accountants)

LEGAL ADVISOR

Mr Haroon Rasheed Abbasi

BANKERS

The Bank of Punjab

National Bank of Pakistan

National Bank of Pakistan (Bahrain)

MCB Islamic Bank Limited

SHARE REGISTRAR

CDC Shares Registrar Services Limited (CDCSRL)

CDC House, 99-B, Block-B, Sindhi Muslim Cooperative Housing Society Main Shahrah-e-Faisal, Karachi-74400, Pakistan.

Phone (Toll-Free) 0800-CDCPL (23275)

Tel: 0092-21-111111500

Fax 0092-21-34326053

Email: info@cdcsrl.com

Website: www.cdcsrl.com

COMPANY ADDRESSES

Registered Address

Company Secretary - PIAHCL

4th Floor, PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan

Liaison Office Address

Company Secretary - PIAHCL

1st Floor, Executive Corridor, PIA Head Office, Karachi-Airport, Pakistan

SUBSIDIARIES

Pakistan International Airlines Corporation Limited (PIACL)

PIA Investments Limited (PIAIL)

Skyrooms (Private) Limited (SRL)

Sabre Travel Network Pakistan (Private) Limited

SECP REGISTRATION CUIN: 0254011

NATIONAL TAX NO: D342499-4

WEBSITE : www.piahcl.com.pk

PROFILES OF BOARD OF DIRECTORS



Mr Tariq Bajwa
Chairman

Mr. Tariq Bajwa is Chairman & Independent Director on PIAHCL Board since March 26, 2024. He is a retired Pakistani civil servant who served as the Finance Secretary and Economic Affairs Secretary of Pakistan. Mr. Bajwa also served as the 19th Governor of the State Bank of Pakistan and the 20th Chairman of the Federal Board of Revenue. Mr. Bajwa is a distinguished career civil servant who began his tenure in the Civil Service of Pakistan in 1981. His extensive experience spans various high-profile roles, including Assistant Commissioner, Deputy Commissioner, General Manager of PIA, Head of Pakistan's Trade Mission in Los Angeles, and leadership positions with the Earthquake Reconstruction & Rehabilitation Authority (ERRA) and the United Nations Development Programme (UNDP). Notably, he served as Secretary Finance for Punjab from 2010 to 2013, where he successfully stabilized provincial finances and introduced significant reforms, including pension reforms. He also played a crucial role as a Director on the Board of Bank of Punjab, contributing to a major turnaround in the bank's performance. In 2013, Mr. Bajwa was appointed Chairman of the Federal Board of Revenue (FBR), where he achieved substantial revenue growth and introduced the Filer/Non-Filer concept. Following this, he served as Secretary of the Economic Affairs Division and later as Secretary Finance until his retirement in June 2017, during which he also contributed as a Director on the Board of the State Bank of Pakistan. He holds a Master's degree in Public Administration from Kennedy School of Government, Harvard University - where he was awarded the prestigious Littauer Fellowship - and an LLB from the University of the Punjab, Lahore. He attended National Management Course at National School of Public Policy Lahore in 2009 as well as training at National Institute of Public Administration (NIPA) in 2004. His professional expertise and experience includes public policy formulation and implementation with specialization in public finance and taxation.

Lt Gen (R) Muhammad Ali HI(M)
Federal Secretary Defence



Lieutenant General (Retd) Muhammad Ali, Hilal-i-Imtiaz (Military) is a nominated Director on PIAHCL Board. He has been appointed as Secretary Ministry of Defence, Government of Pakistan on October 01, 2024. He was commissioned in Pakistan Army on March 10, 1989. He is a graduate of Command and Staff College Quetta, National Defence University Islamabad and College Interarmees de Defence France. He holds Master's Degree in Arts and Science of Warfare from University of Baluchistan and M. Phil from National Defence University Islamabad. He has been on various command, staff and instructional appointments. Besides commanding his parent regiment, he has commanded Artillery of an Armoured Division, an Infantry Brigade, Strategic Forces South, an Infantry Division, Pakistan Military Academy and Army Strategic Forces Command. His staff appointments include Grade-3 Staff Officer (Operations) of an Independent Infantry Brigade Group, Brigade Major of an Infantry Brigade, Chief of Staff in a Strike Corps, Vice Chief of General Staff at General Headquarters and Quartermaster General of Pakistan Army. His instructional appointments include Platoon Commander at Pakistan Military Academy Kakul, Instructor Class 'A' at Command and Staff College Quetta and Directing Staff at National Defence University Islamabad. In recognition of his outstanding professional service, he has been conferred with the award of Hilal-e-Imtiaz (Military). He is also a director on the Board of Pakistan International Airlines Corporation Limited.



Mr. Imdad Ullah Bosal

Federal Secretary Finance

Mr. Imdad Ullah Bosal, Secretary Finance Division, is a nominated Director on PIAHCL Board since March 26, 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 May 19, 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 Masters of Public Policy from Blavatnik School of Government, 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 director on the Board of Pakistan International Airlines Corporation Limited. He is also a Member of PIAHCL Board Audit Committee.

Mr. Shazad Dada

Director

Mr. Shazad Dada is an Independent Director on PIAHCL Board since March 26, 2024. He is a seasoned banker, strategist and trusted advisor. Mr. Shazad Dada has experience of more than 34 years. He has led multiple renowned financial institutions, driving profitability by turning around loss making divisions and strengthening their Investment Banking division. Currently, he is Founder and Managing Partner of "Dada Partners", a boutique advisory firm providing Mergers & Acquisitions, Corporate Finance, Corporate Restructuring, Corporate Transformation, Private Equity, Debt and Green Financing to clientele within Pakistan and the MENA region. Mr. Dada started off in Deutsche Bank Securities Inc, New York and swiftly rose to the rank of Managing Director, Americas M&A, for Technology, Media and Telecommunications. Subsequently, he moved to Pakistan as Chief Executive Officer for Deutsche Bank, where he played a key role in turning around the franchise's profitability. Thereafter, he joined Barclays Pakistan as Managing Director and Head of Regional Transaction Services Steering Committee for Asia, India, UAE and Pakistan. His last stint with an International Bank was as Chief Executive Officer for Standard Chartered Pakistan, after which he decided to spearhead one of Pakistan's premier banks, United Bank Limited (UBL). Mr. Dada has held esteemed positions such as President Overseas Investor Chamber of Commerce and Industry (OICCI) Pakistan, Chairman Pakistan Bank's Association and Chairman Pakistan Mercantile Exchange. He is a Certified Director from Pakistan Institute of Corporate Governance, accredited by the International Finance Corporation (IFC) and approved by Securities and Exchange Commission of Pakistan (SECP). Presently, he serves as Chairman of Board of Trustees for Development in Literacy. He is Chairman of PIAHCL Board Audit Committee.



Mr. Naeem Iqbal

Director

Mr. Naeem Iqbal is an independent Director on PIAHCL Board since March 26, 2024. With a robust career in banking, he brings a wealth of experience from senior positions in both domestic and international banks across the Middle East. His notable roles include serving as Chairman and Managing Director of the Industrial Development Bank of Pakistan. In addition to his role at PIAHCL, Mr. Naeem Iqbal is Chairman of Exim Bank of Pakistan and also an Independent Director on the Boards of Islamabad Electric Supply Company (I.E.S.C.O.) and GENCO Holding Company Limited, further showcasing his extensive leadership in the industry. Mr. Naeem Iqbal's academic credentials include being a Fellow of the Chartered Institute of Bankers in London since February 1985, holding a Diploma in Banking from the Chartered Institute of Bankers, and earning a Bachelor of Arts from the University of Punjab. He is a Member of PIAHCL Board HR & Legal Committee.

Mr. Yousaf Khosa

Director



Mr Yousaf Khosa is an Independent Director on PIAHCL Board since March 26, 2024. Mr. Khosa stands out as one of Pakistan's premier corporate and dispute resolution lawyers, with a distinguished career that spans over two decades. As an Advocate of the Supreme Court of Pakistan, he leads the dispute resolution and corporate teams of his firm in Islamabad, showcasing unparalleled expertise in corporate litigation. His academic background is robust, including qualifications from the Barristers of Lincoln's Inn (BPP, London, 1997), Cardiff Law School (LLB Hons, 1996), and GC University (B.A. Political Science, 1993). This solid foundation has underpinned his extensive experience across various legal domains. Mr. Khosa has been a pivotal figure in the aviation sector, notably leading major transactions such as ATR financing and aircraft lease negotiations. His expertise was crucial in the New Islamabad International Airport Project, where he achieved a landmark arbitration award. Additionally, his distinguished reputation in infrastructure practice is marked by his involvement in high-profile construction projects both locally and internationally. Mr. Khosa's proficiency spans various construction contracts and project structures, including BOT and BOOT models, and he offers extensive advisory services on contract management, claims, and dispute resolution. Mr. Khosa is renowned for his exceptional skills in arbitration, with a successful track record in both domestic and international disputes, recently recognized by ICC Paris for a major arbitration victory. His expertise extends to corporate and commercial law, where he excels in capital markets, mergers and acquisitions, and technology licensing, supported by extensive experience in high-value transactions and corporate governance. Additionally, Mr. Khosa has handled over 700 litigation cases across various sectors, including taxation, construction, and telecommunications. He is a leading authority in telecommunication law, advising clients in Pakistan and Afghanistan, and has made significant contributions to the oil and gas sector. His deep understanding of employment law further complements his practice, encompassing a wide range of labor regulations and corporate restructuring issues. With over 22 years of legal practice, Mr. Khosa has accumulated a wealth of experience across constitutional, corporate finance, tax, and international family matters. His achievements have been recognized with numerous international awards, including "Best Corporate Lawyer of the Year," and he is a respected visiting speaker at the National Judicial Academy in Islamabad. His memberships include the Punjab Bar Council, Supreme Court Bar Association, and the Honorable Society of Lincoln's Inn. He is a Certified Director from Pakistan Institute of Corporate Governance, accredited by the International Finance Corporation (IFC) and approved by Securities and Exchange Commission of Pakistan (SECP). He is Chairman of PIAHCL Board HR & Legal Committee.



Mr. Javed Kureishi

Director

Mr. Javed Kureishi is an Independent Director on PIAHCL Board since March 26, 2024. He is a seasoned international banker having spent 34 years with Citibank. He worked across 6 countries including Pakistan. He had a number of Senior Country and Regional roles including CEO Czech Republic, Corporate Bank Head Middle East and nine years in Asia being responsible for the Multinational and Public Sector businesses across 14 countries. He holds degree in economics from the University of Sussex, UK. Mr. Kureishi was also an accomplished cricketer having captained Pakistan under 19 team and played first class cricket. He was also until recently a Member of The Board of Governors of Pakistan Cricket Board. He is also an Independent Director on a number of reputed company boards in Pakistan. He is a Member of PIAHCL Board Audit Committee.

Syed Zibber Mohiuddin

Director

Syed Zibber Mohiuddin is an Independent Director on PIAHCL Board since March 26, 2024. During his career he has held several key leadership and entrepreneurial positions over the last 27 years. Currently, Mr. Mohiuddin is the CEO of PanAsian Group and Vice Chairman of VPL Limited. He is serving as a director on the Boards of several private and public limited companies including Engro Enfrashare. From 2002 till 2009 he was the President of Ericsson in Pakistan. From 2002 till 2005 Mr. Mohiuddin served on the Management Board of Ericsson's Southeast Asia region comprising ten countries, while serving from 2005 till 2009 on the Management Board of Ericsson Middle East covering fourteen countries. Under Mr. Mohiuddin's leadership, Ericsson in Pakistan grew from a workforce of 39 employees to over 1900 while being responsible for implementing and managing mobile networks with over 20 million subscribers. Prior to Ericsson, Mr. Mohiuddin worked for various companies in United States, Europe and Asia namely Merrill Lynch, Prudential Securities and IBM. Mr. Mohiuddin earned a Bachelor of Business Administration in Finance, from The George Washington University in 1991 and a Master of Business Administration in International Business from The George Washington University in 1994. During 2006 to 2007, he completed an Executive Development Program at Columbia University, Graduate School of Business. He is a Certified Director from Pakistan Institute of Corporate Governance, accredited by the International Finance Corporation (IFC) and approved by Securities and Exchange Commission of Pakistan (SECP). He is a Member of PIAHCL Board Audit Committee.



Mr. Asad Rasool

Director / Chief Executive Officer



Mr. Asad Rasool was appointed as the Chief Executive Officer of PIA Holding Company Limited on April 10, 2025. He brings with him over 20 years of extensive and proven experience in Transaction Advisory, global Equity Capital Markets (ECM) and Corporate / Commercial Banking. His corporate finance advisory experience spans across privatisation, public private partnership (PPP), mergers and acquisitions (M&A), corporate restructuring, enterprise valuations, and both buy-side and sell-side due diligences. He has worked across a diverse range of sectors including financial services, exploration and production (E&P), industrials, airlines, real estate, and telecommunications. Prior to assuming his current role, Mr. Rasool served as a Financial Advisor to the Ministry of Defence / Aviation, Government of Pakistan. He

also held the position of Senior Transaction Advisory Manager at the Privatisation Commission of Pakistan, where he led complex privatisation mandates and provided strategic input on key privatization initiatives. Additionally, his role as Advisor on Privatisation (Finance & Markets – Global Practices) at the World Bank Group underscores his commitment to promoting economic efficiency and transparency within public sector enterprises. Mr. Rasool is a member of the Institute of Chartered Accountants Australia & New Zealand (CA ANZ). He holds a Master's degree in Commerce from the University of New South Wales, Australia, and a Bachelor's degree in Civil Engineering from the University of Engineering and Technology (UET), Lahore. He is serving as Director on the Board of Pakistan International Airlines Corporation Limited, PIA Investment Limited, Skyrooms Private Limited and Sabre Travel Network Pakistan (Private) Limited. He is also a Member of PIAHCL Board HR & Legal Committee.

Mr. Hammad Shamimi

Federal Secretary Privatisation Division

Mr. Hammad Shamimi is a nominated Director on PIAHCL Board. He has more than 31 years of work experience in administration and project management in a variety of core disciplines in the public sector. Exposure in policy planning and implementation, governance structures and reforms and service delivery mechanisms are some of his areas of strength. He did his Masters in English Literature from Government College, Lahore in 1990. Later on, he also completed his degree in Development Studies from Japan (2005) and MBA in HRM. Before joining the Privatisation Division, he worked as Additional Secretary in the Cabinet Division and Climate Change Division. He has also served as Consultant, Asian Development Bank and Project Director World Bank and UNDP. He is also a member of Pakistan's Civil Services. He is also a director on the Board of Pakistan International Airlines Corporation Limited.



REGULATORY APPOINTMENTS



Mr. Asad Rasool

Chief Executive Officer

Mr. Asad Rasool was appointed as the Chief Executive Officer of PIA Holding Company Limited on April 10, 2025. He brings with him over 20 years of extensive and proven experience in Transaction Advisory, global Equity Capital Markets (ECM) and Corporate / Commercial Banking. His corporate finance advisory experience spans across privatisation, public private partnership (PPP), mergers and acquisitions (M&A), corporate restructuring, enterprise valuations, and both buy-side and sell-side due diligences. He has worked across a diverse range of sectors including financial services, exploration and production (E&P), industrials, airlines, real estate, and telecommunications. Prior to assuming his current role, Mr. Rasool served as a Financial Advisor to the Ministry of Defence / Aviation, Government of Pakistan.

He also held the position of Senior Transaction Advisory Manager at the Privatisation Commission of Pakistan, where he led complex privatisation mandates and provided strategic input on key privatization initiatives. Additionally, his role as Advisor on Privatisation (Finance & Markets – Global Practices) at the World Bank Group underscores his commitment to promoting economic efficiency and transparency within public sector enterprises. Mr. Rasool is a member of the Institute of Chartered Accountants Australia & New Zealand (CA ANZ). He holds a Master's degree in Commerce from the University of New South Wales, Australia, and a Bachelor's degree in Civil Engineering from the University of Engineering and Technology (UET), Lahore.



Mr. Amos Nadeem

Chief Financial Officer

Mr. Amos Nadeem is first Chief Financial Officer of PIA Holding Company Limited. He 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.



Rao Muhammad Imran

Company Secretary

Rao Muhammad Imran is first Company Secretary of PIA Holding Company Limited. 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. He also holds the position of Company Secretary at Pakistan International Airlines Corporation Limited (PIACL). Mr. Imran serves as the Secretary to the Board Audit Committee and the Board HR & Legal Committee of PIA Holding Company Limited (PIAHCL).

CHAIRMAN'S REVIEW REPORT

For the year ended December 31, 2024

Dear Shareholders

It is with great responsibility and optimism that I present the inaugural Chairman's Review Report of PIA Holding Company Limited (PIAHCL) for the year ended December 31, 2024. This report highlights significant milestones achieved since the Company's formation, reflects on our strategic direction, and outlines the foundations laid for future value creation.

Establishment and Strategic Purpose

PIAHCL was incorporated on March 21, 2024, under the laws of Pakistan as cornerstone of the Government of Pakistan's efforts to reform and restructure the national airline. The Company's establishment was followed by a Scheme of Arrangement (SOA) approved by the Securities and Exchange Commission of Pakistan (SECP) on May 03, 2024, with an effective date of April 30, 2024. Under this Scheme, the core and non-core undertakings of Pakistan International Airlines Corporation Limited (PIACL) were segregated to create a focused and efficient operating model.

Under this scheme, the core airline operations were retained within Pakistan International Airlines Corporation Limited (PIACL), while PIAHCL assumed responsibility for non-core assets, liabilities, and subsidiaries, including PIA Investments Limited (PIAIL), Skyrooms (Private) Limited (SRL), and Sabre Travel Network (Pakistan) (Private) Limited (Sabre TN). On May 27, 2024, PIAHCL was successfully listed on the Pakistan Stock Exchange (PSX), and PIACL was simultaneously delisted. PIACL became a wholly-owned subsidiary of PIAHCL, preserving shareholder equity and establishing PIAHCL as a strategic holding company focused on governance, value optimization, and privatization facilitation.

This restructuring was primarily a strategic realignment designed to enhance operational focus, financial transparency, and investment readiness. It reflects a forward-looking approach that supports the government's privatization plans, empowers PIACL to focus on aviation services, and enables PIAHCL to act as a strategic holding company with a diversified portfolio.

Corporate Governance and Leadership

PIAHCL's Board of Directors was appointed by the Federal Government in March 2024, comprising seven independent professionals and four public sector nominees. The Board's composition reflects diverse expertise in aviation, finance, legal, and restructuring disciplines. The Board has ever since taken key steps to build a strong governance structure, aligned with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the State-Owned Enterprises (Governance and Operations) Act, 2023.

The Company developed its Vision and Mission Statements and began formulating its Code of Conduct and key policies. The Board held nine meetings during the year and constituted two specialized committees: the Audit & Finance Committee and the HR & Legal Committee. While the HR & Legal Committee met four times, the Audit Committee was convened once, due to transitional impediments and the conduct of special audit of the Company's major subsidiary PIACL.

Key executive appointments were made during the year, including the Chief Financial Officer and Company Secretary. However, the internal audit function is yet to be fully operationalized. Although full compliance with certain regulatory requirements could not be achieved due to the Company's rudimentary stage and operational complexities, the Board is committed to closing these gaps and strengthening its internal control mechanism.

Group Restructuring and Operational Transition

The year 2024 was foundational, focused on legal, financial, and operational realignment. PIAHCL undertook full assumption of non-core liabilities, including legacy debt, consolidated group assets, and established reporting and governance frameworks to monitor and align subsidiary performance. This separation of airline and non-airline activities has provided clarity in operational mandates, enabling PIACL to focus on commercial aviation, while PIAHCL governs and restructures the group's non-core portfolio.

During 2024, PIAHCL initiated financial controls and reporting frameworks to support group-level transparency and accountability. PIAHCL holds full ownership in following strategic subsidiaries:

- **Pakistan International Airlines Corporation Limited (PIACL):** Retained all aviation operations and is being supported for commercial transformation and privatization readiness.
- **PIA Investments Limited (PIAIL):** Manages international assets including the Roosevelt Hotel (New York) and Scribe Hotel (Paris); strategic reviews are underway to unlock asset value and potential.
- **Skyrooms (Private) Limited:** Operates as a hospitality services provider, with modernization initiatives launched in 2024.
- **Sabre Travel Network Pakistan (Private) Limited:** Offers travel technology and ticketing solutions; has prioritized digital upgrades and customer engagement.

Group Financial Performance and Analytical Review

In its first year, PIAHCL prioritized financial stabilization, liability restructuring, and consolidated reporting. Analytical tools such as trend analysis, performance variance analysis, and financial modeling were deployed to assess group-wide metrics, ensure audit readiness, and support strategic decision-making.

○ **PIACL – Flag Carrier Recovery and Turnaround**

Despite capacity constraints and a 14% revenue decline, PIACL posted a remarkable operational turnaround in 2024. Operating profit rose to PKR 9.3 billion from PKR 3.9 billion in 2023. Exchange losses significantly dropped from PKR 25.9 billion to PKR 2.3 billion, while finance costs were reduced by 87%. Consequent to Financial Restructuring, the Deferred Tax Asset was realized amounting to PKR 31.6 billion which led to a net profit of PKR 26.2 billion compared to a loss of PKR 104.5 billion in the previous year. The performance improvement was primarily driven by aggressive cost control, route rationalization, improved exchange management, and financial restructuring.

○ **PIA Investments Limited (PIAIL) – Asset Optimization**

PIAIL reported revenue of USD 123.84 million (PKR 34,701 million) and a net profit of USD 24.84 million (PKR 6,960 million). Its primary revenue driver was the Roosevelt Hotel in New York, which operated as a shelter under a contract with the City of New York. The Scribe Hotel in Paris also contributed stable returns under a long-term management agreement. The company maintained a robust asset base valued at over USD 744 million (PKR 207,241 million) and sustained high liquidity through strategic short-term investments. Asset utilization reviews and potential divestment strategies are underway to enhance long-term shareholder value.

○ **Skyrooms (Pvt.) Limited – Infrastructure Renewal**

Skyrooms hosted more than 41,000 guests in 2024, generating PKR 272 million in revenue and recording a net loss of PKR 65.6 million. Room capacity was increased from 120 to 208 after major renovations. Additionally, the implementation of a new ERP system significantly enhanced financial controls and operational processes. The successful recovery of PKR 33.2 million in tax refunds from the Federal Board of Revenue also supported the company's liquidity position.

○ **Sabre Travel Network (Pakistan) – Technology-Driven Services**

Sabre TN, despite facing a 2% market contraction and foreign exchange losses, maintained its market share and recorded PKR 726 million in commission income. The company added more than 25 new clients in 2024, projected to generate over 50,000 bookings annually. Profit before tax stood at PKR 16 million, though profit after tax declined due to currency fluctuations and increased operational expenses. Sabre TN is actively investing in integrating IATA's New Distribution Capability (NDC) to remain competitive amid evolving travel technology models.

Strategic Outlook – 2025 and Beyond

As we look ahead, PIAHCL's strategic direction will focus on maximizing value across its portfolio. Key priorities include enhancing the operational autonomy and commercial viability of PIACL, monetizing and optimizing non-core assets through

divestments or strategic partnerships, and strengthening governance practices across the group. The Company will continue its efforts to accelerate group-wide digital transformation, ensure environmental, social, and governance (ESG) compliance, and reinforce audit readiness and transparency. In addition, analytical methods such as subsidiary-level risk modeling, financial sensitivity analysis, and performance tracking will be used to support strategic planning and decision-making.

PIAHCL's long-term objective is to maximize value for all stakeholders through the efficient management of its subsidiaries, support for the privatization of PIACL, and unlocking strategic asset value. The Holding Company model provides a clear distinction between operations and oversight, allowing PIACL to concentrate on its core aviation services while PIAHCL ensures financial discipline and governance excellence.

Looking forward, the Company will focus on strengthening group governance and internal controls, supporting PIACL's transformation and privatization, maximizing asset value across the portfolio, ensuring regulatory compliance and transparency and enhancing organizational capability and digital readiness.

The year 2024 marked the first year of operations for PIA Holding Company Limited (PIAHCL), during which the company concentrated on establishing its foundational structure and aligning its strategic direction. A key area of focus was the legal implementation of the Scheme of Arrangement and the smooth transfer of assets. In parallel, efforts were directed towards the establishment of robust financial reporting mechanisms and internal control systems to ensure transparency and regulatory compliance.

PIAHCL also prioritized the development of a comprehensive group-wide governance framework to support effective oversight and accountability. Another significant milestone was the realignment of the operating model to clearly delineate airline-related operations from non-airline functions, facilitating a more efficient and focused approach to management. Lastly, the company played a pivotal role in enabling a cleaner balance sheet for Pakistan International Airlines Corporation Limited (PIACL), which is a critical step in the ongoing privatization process.

Challenges and Opportunities

The first year posed significant legal, operational, and financial restructuring challenges. Yet, PIAHCL has effectively established control mechanisms, aligned governance frameworks, and undertaken the transitional requirements of the SOA. The holding company structure has allowed for a clear separation between operational execution and strategic oversight, setting the stage for long-term institutional resilience and sectoral reform.

Acknowledgements

On behalf of the Board, I wish to thank the Government of Pakistan, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, the Privatization Commission, and our shareholders for their support. I also acknowledge the dedication of our management team and employees, whose efforts have enabled a strong and strategic start to PIAHCL's operations. We look forward to continuing our journey with a firm commitment to transparency, performance, and long-term value creation.



Tariq Bajwa
Chairman
PIA Holding Company Limited
Date: July 28, 2025

نئے کلائنٹس کا اضافہ کیا، جن سے سالانہ 50,000 سے زائد بکنگز کی توقع ہے۔ ٹیکس سے قبل منافع 16 ملین روپے رہا، تاہم ٹیکس کے بعد منافع زرمبادلہ میں اتار چڑھاؤ اور آپریشنل اخراجات میں اضافے کے باعث کم ہوا۔ سیبرٹی این فعال طور پر IATA کی نئی ڈسٹری بیوشن کمیٹی (NDC) کے انضمام میں سرمایہ کاری کر رہا ہے تاکہ جدید ٹریول ٹیکنالوجی ماڈلز کے ساتھ ہم آہنگ رہا جاسکے۔

حکمت عملی کا نقطہ نظر - 2025 اور اس کے بعد

آنے والے وقت کو مد نظر رکھتے ہوئے، پی آئی اے ایچ سی ایل کی اسٹریٹجک سمت اپنے پورٹ فولیو میں قدر کو زیادہ سے زیادہ بڑھانے پر مرکوز رہے گی۔ اس کے اہم مقاصد میں پی آئی اے سی ایل کی آپریشنل خود مختاری اور تجارتی پائیداری کو بہتر بنانا، غیر بنیادی اثاثہ جات کو فروخت یا اسٹریٹجک شراکت داریوں کے ذریعے مؤثر طور پر استعمال میں لانا، اور گروپ کی سطح پر گورننس کے طریقہ کار کو مضبوط بنانا شامل ہیں۔ کمپنی پورے گروپ میں ڈیجیٹل تبدیلی کو تیز کرنے، ماحولیاتی، سماجی اور گورننس (ای ایس جی) تقاضوں کی تکمیل کو یقینی بنانے، اور آڈٹ کی تیاری اور شفافیت کو فروغ دینے کے لیے اپنی کوششیں جاری رکھے گی۔ اس کے علاوہ، ذیلی اداروں کی سطح پر خطرے کے ماڈل، مالیاتی حساسیت کے تجزیے، اور کارکردگی کی نگرانی جیسے تجزیاتی طریقے اسٹریٹجک منصوبہ بندی اور فیصلہ سازی کی حمایت کے لیے استعمال کیے جائیں گے۔

پی آئی اے ایچ سی ایل کا طویل مدتی مقصد تمام اسٹیک ہولڈرز کے بقدر میں اضافہ کرنا، جو ذیلی کمپنیوں کے مؤثر انتظام، پی آئی اے سی ایل کی نجکاری میں معاونت، اور اسٹریٹجک اثاثہ جات کی حقیقی قدر کو اجاگر کرنے کے ذریعے حاصل کیا جائے گا۔ ہولڈنگ کمپنی کا ماڈل آپریشنز اور نگرانی کے درمیان واضح حد بندی فراہم کرتا ہے، جو پی آئی اے سی ایل کو اپنی بنیادی فضا کی خدمات پر توجہ مرکوز کرنے کا موقع دیتا ہے، جبکہ پی آئی اے ایچ سی ایل مالیاتی نظم و ضبط اور بہترین گورننس کو یقینی بناتا ہے۔ مستقبل کی طرف دیکھتے ہوئے، کمپنی گروپ کی سطح پر گورننس اور داخلی کنٹرولز کو مضبوط بنانے، پی آئی اے سی ایل کی تبدیلی اور نجکاری کی حمایت کرنے، پورٹ فولیو میں اثاثہ جات کی قدر کو زیادہ سے زیادہ کرنے، ضابطہ جاتی تقاضوں اور شفافیت کو یقینی بنانے، اور ادارہ جاتی صلاحیت و ڈیجیٹل تیاری کو بہتر بنانے پر توجہ مرکوز کرے گی۔

سال 2024 پی آئی اے ایچ سی ایل کی سرگرمیوں کا پہلا سال تھا، جس دوران کمپنی نے اپنے بنیادی ڈھانچے کے قیام اور اسٹریٹجک سمت کی ہم آہنگی پر توجہ مرکوز رکھی۔ ایک اہم پہلو اسکیم آف اریجنٹس کے قانونی نفاذ اور اثاثوں کی مؤثر منتقلی تھا۔ اس کے ساتھ ساتھ، شفافیت اور ضابطہ جاتی تعمیل کو یقینی بنانے کے لیے مضبوط مالیاتی رپورٹنگ کے نظام اور داخلی کنٹرول میکانزم کے قیام کی کوششیں بھی کی گئیں۔

پی آئی اے ایچ سی ایل نے پورے گروپ میں مؤثر نگرانی اور جواب دہی کے لیے ایک جامع گورننس فریم ورک کی تشکیل کو بھی ترجیح دی۔ ایک اور اہم کامیابی آپریٹنگ ماڈل کی از سر نو ترتیب تھی، جس کا مقصد ایئر لائن سے متعلق آپریشنز اور غیر ایئر لائن افعال کے درمیان واضح حد بندی کرنا تھا، تاکہ انتظامی امور زیادہ مؤثر اور مرکوز طریقے سے انجام دیے جاسکیں۔ آخر کار، کمپنی نے پی آئی اے سی ایل کے لیے ایک صاف بیلنس شیٹ کے قیام میں کلیدی کردار ادا کیا، جو نجکاری کے جاری عمل میں ایک اہم قدم ہے۔

چیلنجز اور مواقع

پہلا سال قانونی، عملیاتی، اور مالیاتی تنظیم نو کے اعتبار سے نمایاں چیلنجز کا حامل رہا۔ تاہم، پی آئی اے ایچ سی ایل نے مؤثر طریقے سے کنٹرول میکانزم قائم کیے، گورننس فریم ورک کو ہم آہنگ کیا، اور اسکیم آف اریجنٹس (ایس او اے) کے عبوری تقاضوں کو مکمل کیا۔ ہولڈنگ کمپنی کے ڈھانچے نے عملیاتی نفاذ اور اسٹریٹجک نگرانی کے درمیان واضح حد بندی کو ممکن بنایا، جس سے ادارہ جاتی مضبوطی اور شعبہ جاتی اصلاحات کے لیے ایک مضبوط بنیاد فراہم ہوئی ہے۔

تشکر و اعتراف

بورڈ کی جانب سے، میں حکومت پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، نجکاری کمیشن، اور ہمارے شیئر ہولڈرز کا ان کی مسلسل حمایت پر شکریہ ادا کرنا چاہتا ہوں۔ میں اپنی مینجمنٹ ٹیم اور ملازمین کی انتھک محنت اور عزم کو بھی سراہتا ہوں، جن کی کوششوں کے نتیجے میں پی آئی اے ایچ سی ایل کے آپریشنز کا ایک مضبوط اور حکمت عملی پر مبنی آغاز ممکن ہو سکا۔ ہم شفافیت، کارکردگی اور طویل المدتی قدر کی تخلیق کے پختہ عزم کے ساتھ اپنے سفر کو جاری رکھنے کے منتظر ہیں۔



طارق باجوہ

چیئر مین

پی آئی اے ایچ سی ایل ہولڈنگ کمپنی لمیٹڈ

تاریخ: 28 جولائی 2025

سنجالی، گروپ کے اثاثہ جات کو یکجا کیا، اور ذیلی کمپنیوں کی کارکردگی کی نگرانی اور ہم آہنگی کے لیے رپورٹنگ اور گورننس فریم ورکس قائم کیے۔ فضائی اور غیر فضائی سرگرمیوں کی اس علیحدگی نے آپریشنل ذمہ داریوں میں وضاحت فراہم کی، جس سے پی آئی اے سی ایل کو تجارتی ہوا بازی پر توجہ مرکوز کرنے کا موقع ملا، جبکہ پی آئی اے سی ایل گروپ کے غیر بنیادی پورٹ فولیو کا نظم و نسق اور تنظیم نو انجام دے رہا ہے۔

سال 2024 کے دوران، پی آئی اے سی ایل نے گروپ سطح پر شفافیت اور جواب دہی کے فروغ کے لیے مالیاتی کنٹرولز اور رپورٹنگ فریم ورکس متعارف کرائے۔ پی آئی اے سی ایل درج ذیل اسٹریٹجک ذیلی کمپنیوں میں مکمل ملکیت رکھتی ہے:

پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ (پی آئی اے سی ایل): تمام ہوا بازی آپریشنز برقرار رکھے گئے ہیں اور اس کی تجارتی تبدیلی اور نجکاری کی تیاری کے لیے معاونت فراہم کی جا رہی ہے۔

پی آئی اے انویسٹمنٹس لمیٹڈ (پی آئی اے سی ایل): بین الاقوامی اثاثہ جات، بشمول روزویلٹ ہوٹل (نیویارک) اور سکریب ہوٹل (جیرس)، کا نظم سنبھالتا ہے، اثاثوں کی قدر اور امکانات کو مؤثر انداز میں استعمال کرنے کے لیے اسٹریٹجک جائزہ جاری ہے۔

اسکاٹی رومز (پرائیویٹ) لمیٹڈ: مہمان نوازی کی خدمات فراہم کرتا ہے، جہاں سال 2024 میں جدید کاری کے اقدامات کا آغاز کیا گیا۔

سیبر ٹریول نیٹ ورک پاکستان (پرائیویٹ) لمیٹڈ: سفری ٹیکنالوجی اور مکنگ سلسلہ فراہم کرتا ہے؛ ڈیجیٹل اپ گریڈ اور صارف سے روابط کو ترجیح دی جا رہی ہے۔

گروپ کی مالی کارکردگی اور تجزیاتی جائزہ

اپنے پہلے سال کے دوران، پی آئی اے سی ایل نے مالی استحکام، واجبات کی تنظیم نو، اور مشترکہ رپورٹنگ کو ترجیح دی۔ تجزیاتی اوزار جیسے کہ رجحانی تجزیہ، کارکردگی میں فرق کا تجزیہ، اور مالیاتی ماڈلنگ کو استعمال میں لایا گیا تاکہ گروپ سطح کے اشاریوں کا جائزہ لیا جاسکے، آڈٹ کی تیاری کو یقینی بنایا جاسکے، اور اسٹریٹجک فیصلہ سازی کو تقویت دی جاسکے۔

پی آئی اے سی ایل - قومی ایئر لائن کی بحالی اور تبدیلی

گنجائش میں محدودیت اور آمدنی میں 14 فیصد کمی کے باوجود، پی آئی اے سی ایل نے سال 2024 میں شاندار آپریٹنگ بہتری حاصل کی۔ آپریٹنگ منافع 3.9 ارب (2023) سے بڑھ کر 9.3 ارب ہو گیا۔ زرمبادلہ کے نقصانات میں نمایاں کمی واقع ہوئی جو 25.9 ارب سے گھٹ کر 2.3 ارب رہ گئے، جبکہ مالیاتی اخراجات میں 87 فیصد کمی آئی۔ مالیاتی تنظیم نو کے نتیجے میں 31.6 ارب کے موخر شدہ ٹیکس اثاثے کو تسلیم کیا گیا، جس کے باعث کمپنی نے 26.2 ارب کا خالص منافع حاصل کیا، جو گزشتہ سال کے 104.5 ارب کے نقصان کے مقابلے میں ایک غیر معمولی بہتری ہے۔ کارکردگی میں یہ نمایاں بہتری مؤثر لاگت کنٹرول، روٹ کی تنظیم نو، زرمبادلہ کے بہتر نظم و نسق اور مالیاتی تنظیم نو کے باعث ممکن ہوئی۔

پی آئی اے انویسٹمنٹس لمیٹڈ - (PIAIL) اثاثہ جات کا مؤثر استعمال

پی آئی اے انویسٹمنٹس لمیٹڈ نے سال 2024 میں USD 123.84 ملین (34,701 ملین روپے) کی آمدنی اور USD 24.84 ملین (6,960 ملین روپے) کا خالص منافع حاصل کیا۔ کمپنی کی بنیادی آمدنی کا ذریعہ نیویارک میں واقع روزویلٹ ہوٹل رہا، جو سی آف نیویارک کے ساتھ معاہدے کے تحت بطور شیلر آپریٹ ہوا۔ پیرس میں واقع سکریب ہوٹل نے بھی طویل مدتی مینجمنٹ معاہدے کے تحت مستحکم منافع فراہم کیا۔ کمپنی نے 744 USD ملین (207,241 ملین روپے) سے زائد مالیت کے مضبوط اثاثہ جات برقرار رکھے اور اسٹریٹجک قلیل مدتی سرمایہ کاریوں کے ذریعے اعلیٰ سطح کی لیکویڈیٹی برقرار رکھی۔ اثاثہ جات کے استعمال کے جائزے اور ممکنہ ڈائنامکسٹک حکمت عملیوں پر کام جاری ہے تاکہ طویل مدتی حصص یافتگان کی قدر میں اضافہ کیا جاسکے۔

اسکاٹی رومز (پرائیویٹ) لمیٹڈ - بنیادی ڈھانچے کی تجدید

اسکاٹی رومز نے سال 2024 میں 41,000 سے زائد مہمانوں کی میزبانی کی، جس سے 272 ملین روپے کی آمدنی ہوئی، تاہم کمپنی کو 65.6 ملین روپے کا خالص نقصان ریکارڈ کرنا پڑا۔ بڑے پیمانے پر تزئین و آرائش کے بعد کمروں کی گنجائش 120 سے بڑھا کر 208 کر دی گئی۔ مزید برآں، نئے ERP سسٹم کے نفاذ نے مالیاتی کنٹرولز اور آپریشنل عمل میں نمایاں بہتری پیدا کی۔ فیڈرل بورڈ آف ریونیو سے 33.2 ملین روپے کے ٹیکس ریفرنڈ کی کامیاب وصولی نے کمپنی کی لیکویڈیٹی پوزیشن کو سہارا فراہم کیا۔

سیبر ٹریول نیٹ ورک (پاکستان) - ٹیکنالوجی پر مبنی خدمات

سیبر ٹریول نیٹ ورک نے، اگرچہ 2 فیصد مارکیٹ سکرپ اور زرمبادلہ کے خسارے کا سامنا کیا، پھر بھی اپنی مارکیٹ شیئر کو برقرار رکھا اور 726 ملین روپے کی کمیشن آمدن حاصل کی۔ کمپنی نے 2024 میں 25 سے زائد

چیزمین کی جائزہ رپورٹ

برائے سال اختتام پذیر 31 دسمبر 2024

محترم حصص یافتگان

یہ میرے لیے خور و ذمہ داری کا موقع ہے کہ میں پی آئی اے ہولڈنگ کمپنی لمیٹڈ (پی آئی اے ایچ سی ایل) کی پہلی چیزمین جائزہ رپورٹ برائے سال 31 دسمبر 2024 پیش کر رہا ہوں۔ یہ رپورٹ کمپنی کے قیام کے بعد حاصل کی گئی اہم کامیابیوں کو اجاگر کرتی ہے، ہمارے طے کردہ حکمت عملی کے راستے کی عکاسی کرتی ہے، اور مستقبل میں ادارے کی ترقی اور پائیدار قدر کی بنیاد رکھنے والے اقدامات کا خلاصہ پیش کرتی ہے۔

قیام اور حکمت عملی کا مقصد

پی آئی اے ایچ سی ایل کو 21 مارچ 2024 کو پاکستان کے قوانین کے تحت حکومت پاکستان کی جانب سے قومی ایئر لائن کی اصلاح و تنظیم نو کے ایک اہم سنگ میل کے طور پر قائم کیا گیا۔ کمپنی کے قیام کے بعد، "اسکیم آف انجینئرنگ" (ایس او اے) کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی منظوری کے ساتھ 3 مئی 2024 کو نافذ العمل قرار دیا گیا، جس کی موثر تاریخ 30 اپریل 2024 مقرر کی گئی۔ اس اسکیم کے تحت، پاکستان انٹرنیشنل ایئر لائنز کارپوریشن لمیٹڈ (پی آئی اے سی ایل) کی بنیادی اور غیر بنیادی سرگرمیوں کو علیحدہ کرتے ہوئے ایک بہتر اور موثر آپرٹنگ ماڈل کی بنیاد رکھی گئی۔

اس اسکیم کے مطابق، بنیادی فضائی آپریشنز پی آئی اے سی ایل کے تحت برقرار رکھے گئے، جبکہ پی آئی اے ایچ سی ایل نے غیر بنیادی اثاثہ جات، واجبات اور ذیلی اداروں کی ذمہ داری سنبھالی، جن میں پی آئی اے انویسٹمنٹس لمیٹڈ (پی آئی اے ایچ سی ایل)، اسکاٹی روڈ مز پرائیویٹ لمیٹڈ (SRL)، اور سیبر ٹریول نیٹ ورک (پاکستان) پرائیویٹ لمیٹڈ (Sabre TN) شامل ہیں۔ بعد ازاں، 27 مئی 2024 کو پی آئی اے ایچ سی ایل کو پاکستان اسٹاک ایکسچینج (پی ایس ایکس) میں کامیابی کے ساتھ شامل کیا گیا جبکہ اسی روز پی آئی اے سی ایل کو فہرست سے خارج کر دیا گیا۔ اس اقدام کے تحت پی آئی اے سی ایل، پی آئی اے ایچ سی ایل کی مکمل ملکیتی ذیلی کمپنی کے طور پر قائم رہی، جس سے نہ صرف حصص یافتگان کا سرمایہ محفوظ رہا بلکہ پی آئی اے ایچ سی ایل کو ایک موثر ہولڈنگ کمپنی کے طور پر بھی استوار کیا گیا، جو کارپوریٹ نظم و نسق، اثاثہ جاتی قدر میں بہتری، اور نجکاری کے فروغ پر مرکوز ہے۔

یہ تنظیم نو ایک مدبرانہ اسٹریٹجک اقدام تھا، جس کا مقصد آپریشنل کارکردگی میں بہتری، مالی شفافیت اور سرمایہ کاری کے لیے تیاری کو ممکن بنانا تھا۔ یہ حکمت عملی حکومت کے نجکاری کے وژن سے ہم آہنگ ہے، جو پی آئی اے سی ایل کو اپنے فضائی خدمات پر مرکوز رہنے کا موقع فراہم کرتی ہے جبکہ پی آئی اے ایچ سی ایل کو ایک متنوع پورٹ فولیو کے حامل اسٹریٹجک ہولڈنگ ادارے کے طور پر فعال کردار ادا کرنے کے قابل بناتی ہے۔

کارپوریٹ گورننس اور قیادت

پی آئی اے ایچ سی ایل کے بورڈ آف ڈائریکٹرز کا تقرر وفاقی حکومت کی جانب سے مارچ 2024 میں کیا گیا، جو سات آزاد ممبران اور چار نامزد ارکان پر مشتمل ہے۔ بورڈ کی تشکیل مختلف شعبہ جات بشمول ہوا بازی، مالیات، قانونی امور، اور تنظیم نو کے میدان میں متنوع مہارتوں کی عکاسی کرتی ہے۔ بورڈ نے قیام کے بعد سے ہی ایک مضبوط کارپوریٹ گورننس ڈھانچے کی تشکیل کے لیے اہم اقدامات کیے، جو کہ لسٹڈ کمپنیز (کارپوریٹ گورننس) کے ضوابط 2019 اور ریاستی ملکیتی ادارہ جات (گورننس اور آپریشنز) ایکٹ 2023 کے تقاضوں سے ہم آہنگ ہے۔

کمپنی نے اپنے وژن اور مشن بیانات مرتب کیے اور ضابطہ اخلاق و کلیدی پالیسیوں کی تیاری کا عمل شروع کیا۔ سال کے دوران بورڈ نے نو اجلاس منعقد کیے اور دو کمیٹیوں کا قیام عمل میں لایا: آڈٹ و فنانس کمیٹی، اور ہیومن ریسورسز و قانونی امور کی کمیٹی۔ ہیومن ریسورسز و قانونی امور کی کمیٹی کے چار اجلاس منعقد ہوئے، تاہم عبوری چیلنجز اور کمپنی کی بڑی ذیلی کمپنی پی آئی اے سی ایل کے خصوصی آڈٹ کے باعث آڈٹ کمیٹی کا صرف ایک اجلاس طلب کیا گیا۔

سال کے دوران بعض کلیدی انتظامی تقرریاں کی گئیں، جن میں چیف فنانس آفیسر اور کمپنی سیکرٹری شامل ہیں۔ تاہم، اندرونی آڈٹ کا شعبہ تاحال مکمل طور پر فعال نہیں ہو سکا۔ اگرچہ کمپنی کے ابتدائی مرحلے اور آپریشنل پیچیدگیوں کے باعث بعض ضابطہ جاتی تقاضے مکمل طور پر پورے نہیں کیے جاسکے، بورڈ ان خلاؤں کو پُر کرنے اور اندرونی کنٹرول کے نظام کو موثر بنانے کے لیے پرعزم ہے۔

گروپ کی تنظیم نو اور آپریشنل منتقلی

سال 2024 بنیادی حیثیت کا حامل رہا، جس میں قانونی، مالیاتی اور آپریشنل سطح پر ہم آہنگی پر توجہ مرکوز کی گئی۔ پی آئی اے ایچ سی ایل نے غیر بنیادی واجبات، بشمول سابقہ قرضہ جات، کی مکمل ذمہ داری

DIRECTORS' REPORT

For the year ended December 31, 2024

DEAR SHAREHOLDERS

The Board of Directors of **PIA Holding Company Limited (PIAHCL)** is pleased to present the **First Annual Report** along with the **Audited Financial Statements** for the period ended **December 31, 2024**, together with the **Auditor's Report** thereon.

INCORPORATION AND BACKGROUND

PIA Holding Company Limited ("the Holding Company") was incorporated on March 21, 2024, under the Companies Act, 2017, as a public limited company. The formation of the Holding Company was an essential strategic and structural reform undertaken by the Government of Pakistan to segregate the non-core assets, liabilities, and operations of Pakistan International Airlines Corporation Limited (PIACL) and to create a vehicle for debt resolution, asset management, and restructuring to support PIACL's privatization process.

In line with the Scheme of Arrangement approved by the Securities and Exchange Commission of Pakistan (SECP) under Section 279 to 282 of the Companies Act, 2017 on May 03, 2024, the business operations of PIACL were reorganized. The Scheme resulted in the transfer of certain assets, liabilities, subsidiaries, and interests from PIACL to PIAHCL effective April 30, 2024.

PIAHCL now acts as the holding company of PIACL and oversees various subsidiaries and associated undertakings with a focus on enhancing financial sustainability, governance, and long-term value creation.

PERFORMANCE REVIEW

For the year ended December 31, 2024, PIAHCL has completed its first full year of operations. The consolidated financial statements reflect the performance of the Holding Company and its subsidiaries. The focus during this transitional year was to streamline inherited assets and liabilities, ensure operational stability, and prepare for strategic optimization.

Key Financial Highlights (Consolidated):

- Total Assets: PKR 396 billion
- Total Liabilities: PKR 959 billion
- Net Negative Equity: PKR 563 billion
- Revenue: PKR 239.6 billion
- Operating Profit: PKR 18.62 billion
- Net Loss after Tax: PKR 15.35 billion
- Loss per Share for 'A' Class Ordinary Shareholders: PKR 2.93
- Loss per Share for 'B' Class Ordinary Shareholders: PKR 1.47

CHANGE IN BOARD OF DIRECTORS

Since the incorporation of PIAHCL, following changes were made during the period March 21, 2024 till December 31, 2024:

NOMINATED		RELINQUISHED	
Name of Director	Date	Name of Director	Date
Mr Tariq Bajwa Chairman	March 26, 2024	Mr Saif Anjum Federal Secretary, Aviation Division	July 20, 2024
Mr Saif Anjum Federal Secretary, Aviation Division	March 26, 2024	AVM Muhammad Amir Hayat Chief Executive Officer	December 08, 2024
Mr Imdad Ullah Bosal Federal Secretary Finance	March 26, 2024		

Mr Shazad Dada	March 26, 2024
AVM Muhammad Amir Hayat Chief Executive Officer	March 26, 2024
Mr Naeem Iqbal	March 26, 2024
Mr Jawad Paul Khawaja Federal Secretary Privatization Division	March 26, 2024
Mr Yousaf Khosa	March 26, 2024
Mr Javed Kureishi	March 26, 2024
Syed Zibber Mohiuddin	March 26, 2024
Mr Ahsan Ali Mangi Federal Secretary, Aviation Division	July 24, 2024
Mr Khurram Mushtaq Acting Chief Executive Officer	December 20, 2024

SUBSIDIARY AND STRATEGIC INVESTMENT REVIEW

As of December 31, 2024, PIAHCL holds the following major subsidiaries:

PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED (PIACL)

Overview

PIACL remained a wholly-owned subsidiary of PIAHCL during the period under review. As part of the privatization roadmap, significant operational, financial, and regulatory preparations were initiated. Despite ongoing challenges in fuel prices, foreign exchange rates, and regulatory pressures, PIACL managed to enhance flight punctuality, rationalize routes, and improve its load factors in the domestic and regional markets.

Performance Highlights

The total revenue for the year 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, PIACL went through financial restructuring and majority of the bank loans and legacy liabilities were carved out. Furthermore, 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, PIACL succeeded in achieving Profit from Operations of 'PKR 9.3 Billion compared to PKR 3.9 Billion in 2023, reflecting a considerable growth. 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).

PIA INVESTMENTS LIMITED (PIAIL)

Overview

PIA Investments Limited continued to look after its two key international assets: the Roosevelt Hotel in New York and the Scribe Hotel in Paris. During the year 2024, the Roosevelt Hotel remained operational under a Contract with the City of New York, serving as a Migrant Shelter. This arrangement provided a consistent revenue stream and enabled the company to generate revenues to settle its outstanding liabilities and operating expenses. Meanwhile, the Scribe Hotel in Paris continued to function under a management agreement with a leading international hotel operator (Accor), contributing steady income. The company focused on safeguarding the long-term value of both properties through active asset management, routine maintenance, and financial optimization, including the deployment of surplus funds in short-term investments and maintenance of liquidity position. These efforts collectively supported a stable financial performance during the year.

Key Achievements or Milestones

- Achieved strong financial performance with a significant increase in gross profit.
- Ensured efficient asset management including property, plant, and equipment valued at over USD 744 million.
- Maintained a strong liquidity position with short-term cash equivalents and investments.

Performance Highlights

During the financial year ended 2024, the Company recorded revenue of USD 123.84 million (PKR 34,701 million). The net profit for the year stood at USD 24.84 million (PKR 6,960 million), reflecting a positive operational and financial performance.

Significant Developments, Risks, or Challenges

During 2024, a key development was the continuation of the Roosevelt Hotel with the City of New York for use of Hotel as a Migrant Shelter which provided a steady income stream and reduced operational overheads. The arrangement, though financially beneficial in the short term, remains dependent on public policy and may not be sustainable over the long term. There will always be a risk that the business may be terminated at a notice period of 120 days by the City of New York.

The Scribe Hotel in Paris continued its stable performance under a long-term management contract. However, exposure to fluctuations in the European travel and hospitality market, along with broader macroeconomic uncertainties, posed moderate risks to the future business in European Market.

Additionally, both properties, due to their historic nature and prime locations, require regular investment in upkeep and compliance with evolving regulatory and safety standards.

Future Outlook and Strategic Initiatives

PIA Investments Limited will continue to adopt an opportunity-driven approach for managing its international hotel assets. For the Roosevelt Hotel, the contract with the City of New York is expected to continue in the near term, providing predictable cash flows. However, the company remains actively engaged in evaluating long-term strategic options for the property, including potential repositioning, redevelopment, or a return to traditional hospitality operations, subject to market conditions and shareholders / GOP direction.

For the Scribe Hotel, the focus will remain on maintaining stable income through the existing management contract while closely monitoring the performance of the operator and trends in the European hospitality market.

Across both assets, the company will continue to prioritize financial prudence, asset value preservation, and readiness to capitalize on future market opportunities. Strategic initiatives may also include exploring partnerships, asset enhancements, and revaluation exercises to support value maximization and operational sustainability.

SKYROOMS (PRIVATE) LIMITED (SRL)

Overview

Skyrooms (Private) Limited, a wholly owned subsidiary of PIAHCL, operates the Airport Hotel in Karachi. In 2024, the hotel continued to cater to transit and crew accommodation needs primarily for PIA, while also serving other airlines including Serene, AirSial, Air Blue, Fly Jinnah, and more. Over the course of the year, approximately 41,000 guests were hosted, of which over 33,500 were PIA-related. Strategic promotional campaigns, loyalty programs, and corporate partnerships were launched to diversify and expand the customer base.

Financial Performance

During the financial year ended 2024, the Company recorded revenue of PKR 271.453 million as compared to PKR 286.559 million in 2023, reflecting a slight decrease of 5.5%. The net loss for the year stood at PKR 65.662 million.

Achievements & Activities

- **Infrastructure and Facility Upgrades:**
Substantial refurbishments were undertaken during the year, increasing room availability from 120 in 2023 to 208 in 2024. Renovation of major blocks was completed, a corporate conference room was established, and the security system was upgraded with centralized surveillance, enhanced entry barriers, and multiple check-posts. Dining and kitchen areas were restored to meet food safety standards.
- **Administrative Reforms and Certifications:**
Standardized job descriptions and SOPs were introduced across departments to improve operational efficiency. Expired certifications from the Sindh Food Authority, Hotel Association, and Electrical Inspection were successfully renewed. Efforts are ongoing to secure ISO 22000:2018 (Food Safety) and Halal certifications.
- **Digitalization and Process Enhancements:**
A state-of-the-art Hotel ERP system was implemented, featuring centralized dashboards, inventory management, and financial automation to minimize manual intervention and improve operational efficiency. Additionally, supply chain processes were streamlined and budgeting and forecasting capabilities were introduced to support strategic planning.

Future Outlook or Strategic Initiatives

Skyrooms aims to evolve into a commercially self-sustaining and premium hospitality destination. Strategic initiatives in the pipeline include the conversion of B Block rooms into luxury and business-class accommodations, development of new banquet and conference facilities, and the establishment of ancillary revenue streams such as a shopping mart, BBQ restaurant, and airline collaboration programs. Cost-efficiency measures, including solar energy integration and water supply optimization, are also being pursued as part of the long-term transformation strategy.

SABRE TRAVEL NETWORK (PRIVATE) LIMITED (SABRE TN)

Overview

A leading technology provider in airline reservation and ticketing, Sabre Pakistan provided consistent earnings and retained its market leadership position. The company recorded a strong operational performance in FY2024 despite a challenging market and increased competitive intensity. The total GDS market dropped by 2% in FY2024 due to the introduction of direct connects and reduced capacity by some carriers.

Operational Highlights

	(PKR in Million)	
	FY 2024	FY 2023
Sabre Bookings (number of bookings)	1.19	1.25
Commission Income (in PKR)	726	710
Profit Before Tax (in PKR)	15.67	21.37
Profit After Tax (in PKR)	2.53	8.53

Business Review Including Achievements

2024 was a positive year for Sabre Travel Network despite the drop in overall market. The Company posted a 2% growth in Income despite the adverse market conditions. The growth was largely driven by improved realizations.

Introduction of direct connects by Emirates, Oman Air, reduction in capacity by Gulf Air, PIA and proliferation of LCCs contributed to 2% drop in overall GDS market. The company experienced a 5% decline in volumes attributable to challenging market conditions, loss of volume from a couple of customers and temporary unavailability of Turkish Airlines content on the platform.

Around 25+ new customers were signed-in to the company's platform, who are expected to make 50,000 annual bookings. The company also successfully managed to renew 35+ customers, representing more than 150,000 annual bookings. This was achieved through its strong value proposition, despite intensified competitive pressure and increased customer incentives in the market. Company's customer incentives witnessed an 8% year-on-year increase in 2024.

The company closed the year with a Profit before Tax of PKR 15.67 million, a decline as compared to 2023. The company had a forex loss of PKR 5.5 million in 2024 against a forex gain of 41.37 million in 2023. Operating expenses were higher largely due to salary adjustments made to bring compensation in line with market rates and new hires. Company's marketing efforts have significantly boosted its brand visibility that is expected to yield returns in future.

Challenges

The overall GDS market is facing challenges from an increase in direct connect by carriers where NDC bookings are available exclusively, proliferation of LCCs. As the overall market contracts, competitive pressure to secure volume is driving up customer incentives.

Future Outlook

The company anticipates the challenging market conditions to persist through 2025. Sabre is actively addressing the trend of shift away from traditional GDS channels by securing NDC distribution agreements with multiple carriers. To date, Sabre has signed agreements with 36 airlines with Emirates being particularly significant for the market. Additionally Turkish airlines content is expected to return to Sabre platform for the second half of the year. With NDC content from Emirates, Saudi Arabian Airlines, and other airlines, the Company is well- positioned to outperform overall market growth in 2025.

PATTERN OF SHAREHOLDING

A statement showing the Pattern of Shareholding in PIAHCL and additional information as at December 31, 2024 appears on page 40. PIA Holding Company Limited (PIAHCL) was listed on the Pakistan Stock Exchange (PSX) with effect from May 27, 2024, vide PSX Notice No. PSX/N-749 dated May 21, 2024. The highest and lowest market prices for Ordinary 'A' Class Shares of PKR 10/- each were PKR 26.13 and PKR 11.03 per share, respectively, during FY-2024, while the highest and lowest market prices for Ordinary 'B' Class Shares of PKR 5/- each were PKR 1050 and PKR 470 per share, respectively. As of the reporting date, the Government of Pakistan through the Secretary, Ministry of Defence, holds 95.98% of shares in PIAHCL, Public Sector Companies hold 0.10%, financial institutions hold 0.11%, and the remaining 3.81% is held by other investors, including individuals.

CORPORATE GOVERNANCE FRAMEWORK

The Board of Directors of PIAHCL is committed to the highest standards of corporate governance, transparency, and regulatory compliance. The Company has adopted the Code of Corporate Governance, 2019, and aligns its governance practices with the requirements of the State-Owned Enterprises (Governance and Operations) Act, 2023.

The Board has complied with the relevant principles of corporate governance and has identified instances of non-compliance, along with the periods during which they occurred and the reasons thereof, as required under applicable regulations. The Company continues to take steps to address such areas and ensure full compliance moving forward.

Financial Reporting

The financial statements of PIAHCL, prepared by the management, present a fair view of the state of affairs, results of operations, cash flows, and changes in equity of the Company. Proper books of accounts have been maintained in accordance with applicable laws.

Appropriate accounting policies have been applied consistently, and where necessary, estimates and judgments are based on reasonable and prudent considerations. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in Pakistan, and there have been no material departures from the prescribed accounting framework.

There is no significant doubt on the Company's ability to continue as a going concern, other than the matters disclosed in Note 1.2 to the unconsolidated financial statements, along with corresponding mitigating factors.

Board Composition and Governance Practices

The appointment of the Chairman and other Directors, along with the remuneration policy adopted, is in the best interest of the Company and aligns with good governance principles. Presently, three Directors and the Company Secretary are Certified Directors under the Code of Corporate Governance. Efforts are underway to ensure the certification of all Directors in due course.

During the year, the Board of Directors held nine meetings. The attendance record of Directors is annexed to this report.

The Board has constituted specialized committees to support effective oversight and decision-making, including the Board Audit Committee and the Board HR & Legal Committee. These committees are comprised of Directors based on their expertise and contribute significantly to corporate governance and strategic oversight.

Compliance with Regulatory Requirements

There has been no material departure from the best practices of corporate governance as detailed in the Rule Book of the Pakistan Stock Exchange. The Board affirms that the Company has remained compliant with all key statutory requirements, except where otherwise disclosed in the financial statements.

All statutory payments due have been made, except those disclosed in the relevant notes to the financial statements. Furthermore, Directors, the Chief Executive Officer, Chief Financial Officer, Company Secretary, and their spouses and minor children have not traded in shares of PIAHCL during the year.

Dividend and Earnings per Share

No dividend or bonus shares were declared for the year ended December 31, 2024, due to the net loss incurred. During the period, the Company registered a basic and diluted loss of Rs.9.08 per 'A' Class share and Rs.4.54 per 'B' Class share.

Formation Phase and Capacity Building

As this was the inaugural year of PIAHCL's establishment, significant effort was devoted to organizational structuring and the development of foundational systems and processes. During this formative period, the Board engaged in extensive deliberations to adopt essential governance frameworks necessary to support long-term operational sustainability and regulatory compliance.

Given the evolving nature of the Company's operations, there were delays in the complete implementation of certain compliance requirements—most notably, the formation of an internal audit function and the appointment of an Internal Auditor. The Board remains fully committed to addressing these gaps and ensuring full regulatory compliance in the upcoming year.

The Directors acknowledge their responsibility for establishing and maintaining a robust system of internal controls. Efforts are being made to establish and strengthen the design and effectiveness of internal controls in accordance with best practices and applicable regulatory expectations.

Statutory Disclosures

The Pattern of Shareholding, as required under Section 227 of the Companies Act, 2017, is annexed to this report.

Prior Period Comparative Data

As this is the first year of operations for PIAHCL, disclosure of key operating and financial data for the preceding six years is not applicable and, therefore, has not been presented.

STATUTORY AND LEGAL MATTERS

During its inaugural year, PIA Holding Company Limited (PIAHCL) undertook significant efforts to comply with applicable statutory and regulatory requirements, including timely submissions to the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Federal Board of Revenue (FBR), and other relevant authorities. While certain compliance areas remained in progress due to the transitional nature of the company's formation, these gaps have been identified and are being actively addressed, with full compliance targeted in 2025.

The Scheme of Arrangement was successfully implemented without any legal impediments, demonstrating the Company's adherence to regulatory frameworks and effective execution of the corporate restructuring.

In accordance with the approved conversion ratios, the share certificate for PIAHCL was duly designed, and the process for exchanging shares was initiated upon receipt of applications from erstwhile shareholders of Pakistan International Airlines Corporation Limited (PIACL).

HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT

As this was the first year of operations for the Company, efforts are currently underway to establish a robust mechanism for the acquisition of skilled talent. The focus remains on developing a strong organizational foundation by identifying and recruiting core managerial and financial professionals aligned with the strategic objectives of the Company. These efforts aim to ensure long-term governance, regulatory compliance, and operational capability.

Gender Pay Gap Data (Pursuant to SECP Circular No. 10 of 2024)

PIA Holding Company Limited (PIAHCL) is committed to being an equal opportunity employer and upholding the principles of diversity, equity, and inclusion across all levels of the organization. The Company recognizes the value of a diverse workforce and is committed to fostering a work environment that promotes gender inclusivity and equal representation.

As the Company was incorporated during the year and remains in its formative phase, the number of appointments made during the reporting period was less than two. Consequently, comprehensive gender pay gap data as required under SECP Circular No. 10 of 2024 is not applicable for the current year. However, PIAHCL remains fully committed to aligning its future human resource practices with the requirements of the Circular, and to promoting gender-balanced recruitment and development in the years ahead.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

PIA Holding Company Limited (PIAHCL) recognizes its responsibility as a state-owned enterprise to contribute meaningfully to society beyond its commercial objectives. During the year under review, while the Company remained primarily engaged in institutional structuring and governance establishment, efforts were also directed towards laying the foundation for a sustainable and socially responsible corporate framework.

As part of the reorganization of Pakistan International Airlines Corporation Limited (PIACL) under the approved Scheme of Arrangement, key community engagement and development assets viz **PIA Scouts Association** and **PIA Cricket Academy**, were formally transferred to PIAHCL. These institutions have historically played an important role in promoting youth development, leadership training, and sports excellence in Pakistan.

The Board of Directors recognizes the significance of these platforms and is committed to continuing their legacy under the stewardship of PIAHCL. Plans are underway to institutionalize these initiatives within a broader CSR strategy aligned with the following objectives:

- **Youth Engagement and Talent Development** through sports, training, and scouting activities;
- **Community Outreach and Civic Responsibility**, particularly through the values promoted by the Scouts Movement;
- **Health, Education, and Social Welfare Initiatives**, to be integrated with the long-term CSR framework;
- **Environmental and Social Impact Programs**, in line with national priorities and Sustainable Development Goals (SDGs).

PIAHCL is in the process of developing a formal CSR policy that will define key focus areas, resource allocation, governance structure, and impact assessment mechanisms. The Company remains committed to adopting best practices in public sector governance and contributing to the social and economic uplift of the communities it serves.

FUTURE OUTLOOK

The year 2024 served as a foundational period for PIA Holding Company Limited (PIAHCL), during which the Company concentrated on establishing its strategic direction, institutional framework, and governance structure. Looking ahead, the Company's priorities for 2025 are aligned with its mandate to support national economic objectives and enhance corporate value creation.

Key focus areas for the upcoming year will include supporting the successful privatization of Pakistan International Airlines Corporation Limited (PIACL), in line with the Government's broader reform agenda. The Company will also work to unlock value through its assets by means of efficient asset management strategies. In parallel, efforts will be intensified to strengthen the operational and governance framework of its subsidiaries to ensure sustainable performance and accountability.

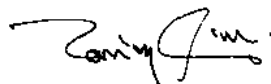
Furthermore, PIAHCL intends to actively explore potential divestments and strategic partnerships aimed at fostering long-term growth and enhancing shareholder value. The Company is also committed to improving its adherence to the State-Owned Enterprises (Governance and Operations) Act, 2023, with a particular emphasis on elevating transparency, strengthening internal controls, and enhancing the quality and timeliness of financial disclosures.

ACKNOWLEDGEMENTS

The Board acknowledges and appreciates the support extended by the Government of Pakistan, Ministry of Finance, SECP, PSX, and other stakeholders during the transitional phase. The Board also recognizes the efforts of the management team of PIAHCL and its subsidiaries.

For and on behalf of the Board of Directors


Asad Rasool
Chief Executive Officer


Tariq Bajwa
Chairman

Date: July 28, 2025

تشکر و اعتراف

بورڈ حکومت پاکستان، وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور دیگر اسٹیک ہولڈرز کے تعاون کا تہہ دل سے اعتراف کرتا ہے، جو کمپنی کے عبوری مرحلے کے دوران فراہم کیا گیا۔ بورڈ پی آئی اے ایچ سی ایل اور اس کی ذیلی کمپنیوں کی انتظامیہ کی کاوشوں کو بھی سراہتا ہے۔

بطور نمائندہ بورڈ آف ڈائریکٹرز


طارق باجوہ
چیئر مین


اسد رسول
چیف ایگزیکٹو آفیسر

تاریخ: 28 جولائی 2025

جینڈرپے گیپ ڈیٹا (ایس ای سی پی سرکلر نمبر 10 برائے 2024 کے تحت)

پی آئی اے ایچ سی ایل ایک مساوی مواقع فراہم کرنے والے آجر کے طور پر عزم ہے اور ادارے کے تمام سطحوں پر تنوع، برابری، اور شمولیت کے اصولوں کو برقرار رکھنے پر یقین رکھتی ہے۔ کمپنی متنوع افرادی قوت کی قدر کرتی ہے اور ایسا ماحول پیدا کرنے کی خواہاں ہے جو صنفی شمولیت اور مساوی نمائندگی کو فروغ دے۔

چونکہ کمپنی رواں سال کے دوران قائم ہوئی اور اب بھی اپنے ابتدائی مراحل میں ہے، اس لیے رپورٹنگ مدت کے دوران کی جانے والی تقرریوں کی تعداد دوسے کم رہی۔ لہذا، ایس ای سی پی کے سرکلر نمبر 10 برائے 2024 کے تحت درکار مکمل جینڈرپے گیپ ڈیٹا اس سال کے لیے قابل اطلاق نہیں ہے۔ تاہم، کمپنی مستقبل میں اپنے انسانی وسائل کے طریقہ کار کو مذکورہ سرکلر کی ہدایت کے مطابق ہم آہنگ کرنے اور صنفی توازن پر مبنی بھرتی و ترقیاتی اقدامات کو فروغ دینے کے لیے پرعزم ہے۔

کارپوریٹ سوشل ریسپانسیبلیٹی (CSR)

پی آئی اے ایچ سی ایل اپنی حیثیت بطور ریاستی ملکیت ادارہ، محض تجارتی مقاصد سے آگے بڑھ کر سماجی ترقی میں مؤثر کردار ادا کرنے کی ذمہ داری کو تسلیم کرتی ہے۔ رپورٹنگ سال کے دوران، اگرچہ کمپنی کا بنیادی فوکس ادارہ جاتی تشکیل اور گورننس کے قیام پر رہا، تاہم ایک پائیدار اور سماجی طور پر ذمے دار کارپوریٹ فریم ورک کی بنیاد رکھنے کے لیے بھی اقدامات کیے گئے۔

پی آئی اے ایچ سی ایل کی تنظیم نو کے عمل کے دوران، جو کہ منظور شدہ اسکیم آف اریجنٹس کے تحت مکمل ہوا، چند اہم کمیونٹی انگیجمنٹ اور ترقیاتی ادارے یعنی پی آئی اے اسکاؤٹس ایسوسی ایشن اور پی آئی اے کرکٹ اکیڈمی کو باضابطہ طور پر پی آئی اے ایچ سی ایل کو منتقل کیا گیا۔ یہ ادارے تاریخی طور پر پاکستان میں نوجوانوں کی ترقی، قیادت کی تربیت، اور کھیلوں کے فروغ میں اہم کردار ادا کرتے آئے ہیں۔

بورڈ آف ڈائریکٹرز ان پلیٹ فارمز کی اہمیت کو تسلیم کرتا ہے اور پی آئی اے ایچ سی ایل کی سرپرستی میں ان کے تسلسل کو یقینی بنانے کے لیے پرعزم ہے۔ ان اقدامات کو ایک جامع CSR حکمت عملی میں ادارہ جاتی شکل دینے کے لیے منصوبہ بندی کی جا رہی ہے، جس کے مقاصد درج ذیل ہیں:

- کھیلوں، تربیت، اور اسکاؤٹنگ سرگرمیوں کے ذریعے نوجوانوں کی شمولیت اور صلاحیتوں کی ترقی؛
- کمیونٹی تک رسائی اور شہری ذمہ داری، خصوصاً اسکاؤٹس موومنٹ کے ذریعے فروغ دی جانے والی اقدار؛
- صحت، تعلیم، اور فلاحی اقدامات، جنہیں مستقبل کی CSR حکمت عملی میں ضم کیا جائے گا؛
- ماحولیاتی اور سماجی اثرات سے متعلق پروگرام، جو قومی ترجیحات اور پائیدار ترقی کے اہداف (SDGs) سے ہم آہنگ ہوں گے۔

پی آئی اے ایچ سی ایل ایک باضابطہ CSR پالیسی کی تشکیل کے عمل میں ہے، جو اہم ترین شعبوں، وسائل کی تقسیم، گورننس کے ڈھانچے، اور اثرات کی جانچ کے طریقہ کار کو واضح کرے گی۔ کمپنی بہترین عوامی شعبے کی گورننس پریکٹسز اپنانے اور ان کی کمیونٹیز کی سماجی و اقتصادی بہتری کے لیے پرعزم ہے جن کی وہ خدمت کرتی ہے۔

آئندہ کالامحہ عمل

سال 2024 پی آئی اے ایچ سی ایل کے لیے ایک بنیادی مرحلہ ثابت ہوا، جس میں کمپنی نے اپنی اسٹریٹجک سمت، ادارہ جاتی فریم ورک، اور گورننس کے ڈھانچے کے قیام پر توجہ مرکوز رکھی۔ سال 2025 کے لیے کمپنی کی ترجیحات اس کے قومی اقتصادی ترقی میں معاونت اور کارپوریٹ ویلیو تخلیق کے مینڈیٹ سے ہم آہنگ ہیں۔

آئندہ سال کے کلیدی ترجیحی شعبوں میں پی آئی اے ایچ سی ایل کی کامیاب بنکاری کی حمایت شامل ہے، جو کہ حکومت پاکستان کے وسیع تر اصلاحاتی ایجنڈے کا حصہ ہے۔ اس کے ساتھ ساتھ، کمپنی اپنے اثاثہ جات کے مؤثر انتظام کے ذریعے ویلیو ان لاک کرنے کے لیے حکمت عملی اپنائے گی۔ اس کے ساتھ ہی، ذیلی اداروں کی کارکردگی اور احتساب کو یقینی بنانے کے لیے ان کے آپریشنل اور گورننس ڈھانچے کو مضبوط بنانے کی کوششیں تیز کی جائیں گی۔

مزید برآں، پی آئی اے ایچ سی ایل طویل المدتی ترقی اور شیئر ہولڈرز کی قدر میں اضافے کے لیے ممکنہ ڈیویڈنڈس اور اسٹریٹجک شراکت داریوں کے مواقع کا جائزہ لینے کا ارادہ رکھتی ہے۔ کمپنی "سرکاری ملکیت ادارہ جات (گورننس اور آپریشنز) ایکٹ، 2023" پر مؤثر عمل درآمد کی بھی پابند ہے، جس میں شفافیت، داخلی کنٹرولز کے استحکام، اور مالیاتی انکشافات کے معیار اور بروقت فراہمی پر خاص زور دیا جائے گا۔

ریگولیٹری تقاضوں کی تعمیل

پاکستان اسٹاک ایکسچینج کے رول بک میں بیان کردہ بہترین کارپوریٹ گورننس طریقہ کار سے کوئی مادی انحراف نہیں ہوا۔ بورڈ اس بات کی تصدیق کرتا ہے کہ کمپنی نے تمام کلیدی قانونی تقاضوں کی تعمیل کی ہے، سوائے ان معاملات کے جو مالیاتی بیانات میں ظاہر کیے گئے ہیں۔

تمام واجب الادا قانونی ادائیگیاں ادا کر دی گئی ہیں، سوائے ان کے جنہیں مالیاتی بیانات کے متعلقہ نوٹسز میں ظاہر کیا گیا ہے۔ مزید برآں، ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانسل آفیسر، کمپنی سیکریٹری، اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران پی آئی اے ایچ سی ایل کے حصص میں کوئی لین دین نہیں کیا۔

ڈیویڈنڈ اور فی حصص آمدنی

سال 31 دسمبر 2024 کو ختم ہونے والی مدت کے دوران خالص نقصان کی وجہ سے نہ تو کوئی ڈیویڈنڈ اور نہ ہی بونس شیئرز کا اعلان کیا گیا۔ اس مدت کے دوران کمپنی نے فی 'اے' کلاس شیئر 9.08 روپے اور فی 'بی' کلاس شیئر 4.54 روپے کا بنیادی اور کم شدہ نقصان رجسٹر کیا۔

تشکیلی مرحلہ اور صلاحیت کی تعمیر

چونکہ یہ پی آئی اے ایچ سی ایل کے قیام کا ابتدائی سال تھا، اس لیے ادارہ جاتی ڈھانچے کی تشکیل اور بنیادی نظاموں اور طریقہ کار کی تیاری کے لیے نمایاں کوششیں کی گئیں۔ اس مرحلہ وار دور میں، بورڈ نے طویل المدتی آپریشنل پائیداری اور قانونی تقاضوں کی تعمیل کو یقینی بنانے کے لیے ضروری گورننس فریم ورکس کو اپنانے پر بھرپور غور و خوض کیا۔

کمپنی کی سرگرمیوں کی ارتقائی نوعیت کے پیش نظر، بعض تعمیلی تقاضوں بالخصوص اندرونی آڈٹ فنکشن کے قیام اور اندرونی آڈیٹر کی تقرری کے مکمل نفاذ میں تاخیر ہوئی۔ بورڈ ان خلاؤں کو دور کرنے اور آئندہ سال مکمل تعمیل کو یقینی بنانے کے لیے پُر عزم ہے۔

ڈائریکٹرز اس بات کو تسلیم کرتے ہیں کہ وہ ایک مؤثر داخلی کنٹرول نظام کے قیام اور اس کی نگہداشت کے ذمہ دار ہیں۔ بہترین عملی اصولوں اور متعلقہ ریگولیٹری توقعات کے مطابق داخلی کنٹرولز کے ڈیزائن اور آپریٹری کو قائم کرنے اور مضبوط بنانے کے لیے اقدامات کیے جا رہے ہیں۔

قانونی انکشافات

شیئر ہولڈنگ کا پیٹرن، جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ 227 کے تحت درکار ہے، اس رپورٹ کے ساتھ منسلک ہے۔

چھپے ادوار کا موازنہ جاتی ڈیٹا

چونکہ پی آئی اے ایچ سی ایل کے آپریشنز کا یہ پہلا سال ہے، اس لیے گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا انکشاف قابل اطلاق نہیں ہے اور اسی وجہ سے پیش نہیں کیا گیا۔

قانونی وضابطہ جاتی امور

اپنے قیام کے پہلے سال کے دوران، پی آئی اے ایچ سی ایل نے متعلقہ قانونی وضابطہ جاتی تقاضوں کی تعمیل کے لیے نمایاں اقدامات کیے، جن میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، فیڈرل بورڈ آف ریونیو، اور دیگر متعلقہ اداروں کو بروقت معلومات و دستاویزات کی فراہمی شامل ہے۔ اگرچہ کمپنی کے قیام کے عبوری مرحلے کے باعث بعض تعمیلی پہلوؤں میں پیش رفت جاری رہی، تاہم ان خلا کو شناخت کر لیا گیا ہے اور ان کے حل کے لیے بھرپور اقدامات کیے جا رہے ہیں، تاکہ سال 2025 میں مکمل تعمیل حاصل کی جاسکے۔

اسکیم آف اریجنٹس بغیر کسی قانونی رکاوٹ کے کامیابی سے نافذ کی گئی، جو کمپنی کی ضابطہ جاتی فریم ورک کی پاسداری اور کارپوریٹ اسٹرکچرنگ کے مؤثر نفاذ کا مظہر ہے۔

منظور شدہ تبادلہ تناسبات کے مطابق، پی آئی اے ایچ سی ایل کے شیئرز سرٹیفکیٹ کو باضابطہ طور پر ڈیزائن کیا گیا اور پی آئی اے ایچ سی ایل کے سابقہ شیئر ہولڈرز کی درخواستوں کی وصولی کے بعد شیئرز کے تبادلے کا عمل شروع کر دیا گیا۔

انسانی وسائل اور ادارہ جاتی ترقی

چونکہ یہ کمپنی کے آپریشنز کا پہلا سال تھا، اس لیے باصلاحیت افراد کی بھرتی کے لیے ایک مؤثر نظام کے قیام کی کوششیں جاری ہیں۔ کمپنی کی حکمت عملی سے ہم آہنگ مرکزی انتظامی اور مالیاتی ماہرین کی شناخت اور تقرری کے ذریعے ایک مضبوط ادارہ جاتی بنیاد کی تشکیل پر توجہ مرکوز ہے۔ ان اقدامات کا مقصد طویل مدتی گورننس، ضابطہ جاتی تعمیل، اور آپریشنل صلاحیت کو یقینی بنانا ہے۔

کمپنی کو توقع ہے کہ موجودہ مشکل مارکیٹ حالات 2025 تک برقرار رہیں گے۔ سیبر اس رجحان کا فعال طور پر مقابلہ کر رہا ہے، جہاں ایئرلائنز روایتی GDS چینلز سے ہٹ کر NDC ماڈلز کی طرف منتقل ہو رہی ہیں۔ اس مقصد کے تحت کمپنی نے متعدد ایئرلائنز کے ساتھ NDC ڈسٹری بیوٹن معاہدے کیے ہیں، جن کی تعداد اب تک 36 تک پہنچ چکی ہے۔ ان میں امارات ایئرلائنز کے ساتھ کیا گیا معاہدہ مارکیٹ کے لیے خاص طور پر اہمیت رکھتا ہے۔ اس کے علاوہ، ترکش ایئرلائنز کا مواد بھی سال کے دوسرے نصف میں Sabre کے پلیٹ فارم پر دوبارہ دستیاب ہونے کی توقع ہے۔ امارات، سعودی عرب اور دیگر ایئرلائنز کا NDC مواد حاصل ہونے کے بعد، کمپنی مضبوط پوزیشن میں ہے کہ وہ 2025 میں مجموعی مارکیٹ گروتھ سے بہتر کارکردگی کا مظاہرہ کر سکے۔

حصص کی ملکیت کا بیژن

حصص کی ملکیت کا بیژن اور اضافی معلومات پر مشتمل بیان 31 دسمبر 2024 تک کی تاریخ میں صفحہ 40 پر دیا گیا ہے۔ پی آئی اے ایئر لائنز کو پاکستان اسٹاک ایکسچینج پر 27 مئی 2024 سے لسٹ کیا گیا، PSX نوٹس نمبر PSX/N-749 مورخہ 21 مئی 2024 کے تحت۔ مالی سال 2024 کے دوران، عام 'A' کلاس حصص فی شیئر قیمت -/10 روپے کی سب سے زیادہ اور سب سے کم مارکیٹ قیمت بالترتیب 26.13 روپے اور 11.03 روپے رہی، جبکہ عام 'B' کلاس حصص فی شیئر قیمت -/5 روپے کی سب سے زیادہ اور سب سے کم مارکیٹ قیمت بالترتیب 1050 روپے اور 470 روپے فی شیئر رہی۔ رپورٹنگ کی تاریخ تک، حکومت پاکستان بذریعہ سیکرٹری، وزارت دفاع، پی آئی اے ایئر لائنز میں 95.98 فیصد حصص کی مالک ہے، عوامی شعبے کی کمپنیاں 0.10 فیصد، مالیاتی ادارے 0.11 فیصد اور باقی ماندہ 3.81 فیصد حصص دیگر سرمایہ کاروں بشمول انفرادی افراد کی ملکیت میں ہیں۔

کارپوریٹ گورننس کا فریم ورک

پی آئی اے ایئر لائنز کا بورڈ آف ڈائریکٹرز اعلیٰ ترین کارپوریٹ گورننس، شفافیت اور ریگولیٹری تعمیل کے اصولوں کا پابند ہے۔ کمپنی نے کارپوریٹ گورننس کے ضابطہ 2019 کو اختیار کیا ہے اور اپنی گورننس پریکٹسز کو ریاستی ملکیتی اداروں کے ایکٹ 2023 (گورننس اور آپریشنز) کی ضروریات کے مطابق ہم آہنگ کیا ہے۔

بورڈ نے کارپوریٹ گورننس کے متعلقہ اصولوں کی پاسداری کی ہے اور متعلقہ ضوابط کے تحت درکار معلومات کے مطابق، عدم تعمیل کے معاملات، ان کے دورانیے اور وجوہات کی نشاندہی بھی کی ہے۔ کمپنی ان شعبہ جات میں بہتری لانے اور آئندہ مکمل تعمیل کو یقینی بنانے کے لیے مسلسل اقدامات کر رہی ہے۔

مالیاتی رپورٹنگ

پی آئی اے ایئر لائنز کے مالی گوشوارے، جو کہ انتظامیہ نے تیار کیے ہیں، کمپنی کی مالی حالت، آپریٹنگ نتائج، نقد بہاؤ، اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔ قانونی تقاضوں کے مطابق درست حسابات کی کتابیں برقرار رکھی گئی ہیں۔

موزوں اکاؤنٹنگ پالیسیوں کو مستقل بنیادوں پر لاگو کیا گیا ہے، اور جہاں ضرورت ہو، وہاں تخمینے اور فیصلے معقول اور محتاط بنیادوں پر کیے گئے ہیں۔ مالیاتی بیانات بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو پاکستان میں لاگو ہیں، کے مطابق تیار کیے گئے ہیں، اور تجویز کردہ اکاؤنٹنگ فریم ورک سے کوئی مادی انحراف نہیں ہوا۔

کمپنی کی مستقبل میں جاری رہنے کی صلاحیت کے بارے میں کوئی خاص شبہ نہیں ہے، سوائے ان معاملات کے جو غیر مجتمع مالیاتی بیانات کے نوٹ 1.2 میں ظاہر کیے گئے ہیں، جن کے ساتھ متعلقہ تخفیفی عوامل بھی بیان کیے گئے ہیں۔

بورڈ کی تشکیل اور گورننس کے طریقہ کار

چیزمین اور دیگر ڈائریکٹرز کی تقرری، نیز اختیار کی گئی معاوضہ پالیسی، کمپنی کے بہترین مفاد میں ہے اور عمدہ کارپوریٹ گورننس اصولوں سے ہم آہنگ ہے۔ اس وقت تین ڈائریکٹرز اور کمپنی سیکرٹری "کوڈ آف کارپوریٹ گورننس" کے تحت سرٹیفائیڈ ڈائریکٹرز ہیں۔ تمام ڈائریکٹرز کی بروقت سرٹیفیکیشن کے لیے کوششیں جاری ہیں۔ سال کے دوران بورڈ آف ڈائریکٹرز کے نوا اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری کارڈ اور اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ نے مؤثر نگرانی اور فیصلہ سازی میں معاونت کے لیے کمیٹیوں کا قیام عمل میں لایا ہے، جن میں "بورڈ آڈٹ و فنانس کمیٹی" اور "بورڈ ایئر لائنز آرولنگ کمیٹی" شامل ہیں۔ یہ کمیٹیاں ڈائریکٹرز کی مہارت کی بنیاد پر تشکیل دی گئی ہیں اور کارپوریٹ گورننس اور حکمت عملی کی نگرانی میں اہم کردار ادا کرتی ہیں۔

مستقبل کا لائحہ عمل اور اسٹریجک اقدامات

اسکائی رومز کا ہدف ہے کہ اسے ایک منافع بخش، خود کفیل اور اعلیٰ معیار کی مہمان نوازی فراہم کرنے والے ادارے کے طور پر ترقی دی جائے۔ اسٹریجک منصوبوں میں شامل اقدامات میں B بلاک کے کمروں کو لکڑی اور بزنس کلاس اقامت گاہوں میں تبدیل کرنا، نئی ٹیکنوٹ اور کانفرنس سہولیات کی تعمیر، اور ضمنی آمدنی کے ذرائع جیسے شاپنگ مارٹ، باربی کیورسٹورنٹ اور ایئر لائن شراکتی پروگراموں کا قیام شامل ہیں۔ لاگت میں کمی کے لیے شمسی توانائی کا انضمام اور پانی کی فراہمی کے نظام کی بہتری جیسے اقدامات بھی طویل المدتی تبدیلی کی حکمت عملی کا حصہ ہیں۔

سیئر ٹریول نیٹ ورک (پرائیویٹ) لمیٹڈ (سیئر ٹی این)

جائزہ

پاکستان میں ایئر لائن ریزرویشن اور ٹکٹنگ کی معروف ٹیکنالوجی فراہم کنندہ، سیئر نے مسلسل منافع حاصل کرتے ہوئے مارکیٹ میں اپنی قیادت کی پوزیشن برقرار رکھی۔ کمپنی نے مالی سال 2024 میں مشکل مارکیٹ حالات اور بڑھتی ہوئی مسابقت کے باوجود مضبوط آپریشنل کارکردگی کا مظاہرہ کیا۔ مالی سال 2024 کے دوران، کل جی ڈی ایس مارکیٹ میں 2 فیصد کی کمی واقع ہوئی، جس کی بنیادی وجوہات کچھ ایئر لائنز کی جانب سے "ڈائریکٹ کنکٹ" کا نفاذ اور پروازوں کی گنجائش میں کمی تھیں۔

عملی جھلکیاں

(رقوم ملین روپے میں)

مالی سال 2024	مالی سال 2023	سیئر بکنگز (تعداد)
1.19	1.25	کمیشن آمدن
726	710	منافع قبل از ٹیکس
15.67	21.37	منافع بعد از ٹیکس
2.53	8.53	

کاروباری جائزہ اور اہم کامیابیاں

سال 2024 مجموعی مارکیٹ میں کمی کے باوجود سیئر ٹریول نیٹ ورک کے لیے مثبت رہا۔ کمپنی نے مشکل حالات کے باوجود 2 فیصد آمدنی میں اضافہ ریکارڈ کیا، جو زیادہ تر بہتر قیمتوں کے حصول کی بدولت ممکن ہوا۔ امارات، عمان ایئر کی جانب سے ڈائریکٹ کنکٹس کے تعارف، گلف ایئر اور پی آئی اے کی استعداد میں کمی اور لوکاسٹ کیریئرز کی بڑھتی ہوئی موجودگی نے مجموعی GDS مارکیٹ میں 2 فیصد کمی میں کردار ادا کیا۔ کمپنی کے بکنگ والیوم میں بھی 5 فیصد کمی دیکھی گئی، جو چیلنجنگ مارکیٹ، چند اہم صارفین کے نقصان، اور عارضی طور پر ترکیش ایئر لائنز کے مواد کی عدم دستیابی کی وجہ سے ہوئی۔

اس سال کے دوران کمپنی نے 25 سے زائد نئے صارفین کو اپنے پلیٹ فارم پر شامل کیا، جن سے سالانہ پچاس ہزار بکنگز کی توقع ہے۔ مزید برآں، کمپنی نے 35 سے زائد صارفین کے معاہدے کامیابی سے تجدید کیے، جو سالانہ 150,000 سے زائد بکنگز کی نمائندگی کرتے ہیں۔ یہ کامیابی کمپنی کی مضبوط ویلیو پروپوزیشن کے باعث حاصل ہوئی، باوجود اس کے کہ مارکیٹ میں مقابلہ شدید تر اور صارفین کو دی جانے والی مراعات میں اضافہ ہوا۔ کمپنی کی صارف مراعات میں سال 2024 کے دوران سال بہ سال 8 فیصد اضافہ ہوا۔

کمپنی نے سال کا اختتام ٹیکس سے قبل 15.67 ملین روپے کے منافع کے ساتھ کیا، جو 2023 کے مقابلے میں کمی کی نمائندگی کرتا ہے۔ سال 2024 میں کمپنی کو 5.5 ملین روپے کا زرمبادلہ نقصان ہوا، جبکہ 2023 میں 41.37 ملین روپے کا زرمبادلہ منافع ریکارڈ کیا گیا تھا۔ آپریشنل اخراجات میں اضافہ بنیادی طور پر تنخواہوں میں کمی، ایڈجسٹمنٹس کے باعث ہوا، جنہیں مارکیٹ ریٹس کے مطابق کرنے کے لیے نافذ کیا گیا، اور نئی بھرتیوں سے بھی اخراجات میں اضافہ ہوا۔ کمپنی کی مارکیٹنگ کی کوششوں نے اس کے برانڈ کی نمایاں شناخت میں خاطر خواہ اضافہ کیا ہے، جس سے مستقبل میں مثبت مالی نتائج کی توقع ہے۔

درپیش چیلنجز

مجموعی GDS مارکیٹ کو کئی چیلنجز کا سامنا ہے، جن میں نمایاں اضافہ ایئر لائنز کی جانب سے "ڈائریکٹ کنکٹ" کے استعمال میں ہے، جہاں NDC (New Distribution Capability) بکنگز صرف مخصوص پلیٹ فارمز پر دستیاب ہیں۔ اس کے ساتھ ساتھ لوکاسٹ کیریئرز (LCCs) کی بڑھتی ہوئی تعداد نے روایتی GDS ماڈل کو مزید دباؤ میں ڈال دیا ہے۔ چونکہ مجموعی مارکیٹ سکڑ رہی ہے، اس وجہ سے والیوم کے حصول کی مسابقت میں اضافہ ہو رہا ہے، جس کے نتیجے میں صارفین کو دی جانے والی مراعات میں بھی نمایاں اضافہ دیکھنے میں آ رہا ہے۔ اس رجحان نے نہ صرف مارکیٹ شیئر برقرار رکھنے کے لیے چیلنج پیدا کیے ہیں بلکہ کمپنی کے منافع کے مارجن پر بھی دباؤ ڈالا ہے۔

مستقل ذریعہ میسر آیا اور آپریٹنگ اخراجات میں کمی واقع ہوئی۔ اگرچہ یہ بندوبست قلیل مدتی طور پر مالی لحاظ سے فائدہ مند رہا، تاہم اس کا انحصار عوامی پالیسی پر ہے اور یہ طویل مدتی بنیادوں پر پائیدار نہیں ہو سکتا۔ اس معاہدے کو نیویارک سٹی کی جانب سے 120 دن کے نوٹس پر ختم کیے جانے کا خطرہ ہمیشہ موجود رہے گا۔

سکرپ ہوٹل، پیرس نے ایک طویل مدتی انتظامی معاہدے کے تحت اپنی مستحکم کارکردگی جاری رکھی۔ تاہم یورپ کی سفری و ہوٹلنگ مارکیٹ میں اتار چڑھاؤ اور وسیع تر معاشی غیر یقینی صورت حال مستقبل میں یورپی کاروبار کے لیے معتدل خطرات کا باعث بن سکتی ہے۔

علاوہ ازیں، دونوں جائیدادیں تاریخی نوعیت اور مرکزی محل وقوع کے باعث مستقل دیکھ بھال، تزئین و آرائش اور بدلتے ہوئے ضوابط و حفاظتی معیارات کے مطابق سرمایہ کاری کی متقاضی رہتی ہیں۔

مستقبل کا جائزہ اور حکمت عملی کے اقدامات

پی آئی اے آئی ایل اپنے بین الاقوامی ہوٹل اثاثہ جات کے انتظام کے لیے مواقع پر مبنی حکمت عملی اپنانے کا سلسلہ جاری رکھے گی۔ روزویلٹ ہوٹل کے سلسلے میں، نیویارک سٹی کے ساتھ موجودہ معاہدے کے قریبی مدت تک جاری رہنے کی توقع ہے، جو کہ مستحکم نقد آمدنی فراہم کرتا ہے۔ تاہم، کمپنی اس جائیداد کے لیے طویل مدتی حکمت عملی کے آپشنز، جیسے کہ دوبارہ پوزیشننگ، از سر نو ترقی، یا روایتی ہوٹلنگ آپریٹنگز کی طرف واپسی، کا جائزہ لیتی رہے گی، جو کہ مارکیٹ کی صورتحال اور شیئر ہولڈرز / حکومت پاکستان کی ہدایات سے مشروط ہو گا۔

سکرپ ہوٹل کے لیے کمپنی کی توجہ موجودہ انتظامی معاہدے کے تحت مستحکم آمدنی کے تسلسل پر مرکوز رہے گی، جبکہ ہوٹل آپریٹنگ کارکردگی اور یورپی ہوٹلنگ مارکیٹ کے رجحانات پر بھی گہری نظر رکھی جائے گی۔

دونوں اثاثہ جات کے حوالے سے کمپنی مالی احتیاط، اثاثوں کی قدر کے تحفظ، اور آئندہ مارکیٹ کے مواقع سے فائدہ اٹھانے کے لیے مکمل تیاری کو اپنی ترجیح بنائے گی۔ مجوزہ حکمت عملی اقدامات میں شراکت داریوں کی تلاش، اثاثوں کی بہتری، اور دوبارہ تخمینہ کاری جیسے اقدامات شامل ہو سکتے ہیں تاکہ اثاثوں کی زیادہ سے زیادہ قدر اور آپریٹنگ پائیداری کو یقینی بنایا جاسکے۔

اسکاٹی رومز (پرائیویٹ) لمیٹڈ (ایس آر ایل)

جائزہ

اسکاٹی رومز جو کہ پی آئی اے ایچ سی ایل کی مکمل ملکیتی ذیلی کمپنی ہے، کراچی ایئرپورٹ ہوٹل کا انتظام سنبھالتی ہے۔ سال 2024 میں، یہ ہوٹل بنیادی طور پر پی آئی اے کے ٹرانزٹ اور فضائی میزبانوں کی رہائش کی ضروریات کو پورا کرتا رہا، ساتھ ہی دیگر ایئرلائنرز جیسے کہ سیرین، ایئر سیال، ایئر بلو، فلائی جناح، اور دیگر کو بھی خدمات فراہم کرتا رہا۔ سال کے دوران تقریباً 41,000 مہمانوں کی میزبانی کی گئی، جن میں سے 33,500 سے زائد پی آئی اے سے متعلقہ تھے۔ صارفین کی بنیاد کو متنوع اور وسیع کرنے کے لیے حکمت عملی پر مبنی پروموشنل مہمات، وفاداری پروگرام، اور کارپوریٹ شراکت داریوں کا آغاز کیا گیا۔

مالی کارکردگی

سال ختم شدہ 2024 کے دوران، کمپنی نے 271.453 ملین روپے کی آمدنی ریکارڈ کی، جو 2023 میں 286.559 ملین روپے کے مقابلے میں 5.5 فیصد کی معمولی کمی کو ظاہر کرتی ہے۔ سال کا خالص نقصان 65.662 ملین روپے رہا۔

نمایاں کامیابیاں اور سرگرمیاں

انفراسٹرکچر اور سہولیات کی بہتری: سال کے دوران ہوٹل کی بحالی و تزئین و آرائش کے تحت نمایاں کام سرانجام دیے گئے، جس کے نتیجے میں کمروں کی دستیابی 2023 میں 120 سے بڑھا کر 2024 میں 208 کر دی گئی۔ بڑے بلاکس کی تزئین نو مکمل کی گئی، ایک جدید کارپوریٹ کانفرنس روم قائم کیا گیا، اور سیکیورٹی نظام کو مرکزی نگرانی، جدید انٹری بیوریٹز اور متعدد چیک پوسٹوں کے ذریعے بہتر بنایا گیا۔ کھانے اور کچن کے علاقوں کی مرمت بھی کی گئی تاکہ فوڈ سیفٹی کے معیار پر پورا اتر جاسکے۔

انتظامی اصلاحات اور سرٹیفیکیشن: تمام شعبہ جات میں معیاری جاب ڈسکرپشنز اور SOPs متعارف کروائے گئے تاکہ آپریٹنگ کارکردگی کو بہتر بنایا جاسکے۔ سندھ فوڈ اتھارٹی، ہوٹل ایسوسی ایشن، اور انٹرنیشنل انسپیکشن کی منسوخ شدہ اسناد کو کامیابی سے تجدید کیا گیا۔ مزید برآں، ISO 22000:2018 (فوڈ سیفٹی) اور حلال سرٹیفیکیشن کے حصول کے لیے کوششیں جاری ہیں۔

ڈیجیٹائزیشن اور عمل میں بہتری: ایک جدید ہوٹل ERP سسٹم متعارف کروایا گیا جس میں مرکزی ڈیش بورڈز، انوینٹری مینجمنٹ، اور مالیاتی خود کاری شامل ہے، جس سے دستی مداخلت کم ہوئی اور آپریٹنگ کارکردگی میں بہتری آئی۔ اس کے علاوہ، سپلائی چین کے عمل کو سادہ بنایا گیا، جبکہ بجٹ سازی اور پیش گوئی کے نظام بھی متعارف کروائے گئے تاکہ اسٹریٹجک منصوبہ بندی کو بہتر بنایا جاسکے۔

(رقوم ملین روپے میں)

2024	2023	
204,164	237,883	آمدنی (خالص)
(75,586)	(98,062)	ایز کرافٹ فیول
(123,355)	(141,083)	آپریٹنگ اخراجات
4,134	5,156	دیگر آمدنی
9,357	3,894	عملی منافع
(2,349)	(25,956)	زر مبادلہ کا نقصان
(10,066)	(79,429)	مالیاتی لاگت
(3,058)	(101,491)	ٹیکس سے قبل نقصان
29,261	(3,010)	محصولات (ٹیکس)
26,203	(104,501)	خالص منافع / (نقصان)

مالی سال کے دوران، پی آئی اے سی ایل نے مالیاتی تنظیم نو کا عمل مکمل کیا جس کے تحت بینک قرضوں اور پرانے واجبات کا بڑا حصہ علیحدہ کر دیا گیا۔ مزید برآں، جائزہ سال کے دوران انتظامیہ نے اخراجات میں کمی کے اقدامات، روٹس کی تنظیم نو، اور موجودہ بیڑے پر سرمایہ جاتی اخراجات کی موثر حکمت عملیوں پر توجہ مرکوز کی تاکہ مستقبل کے لیے گنجائش میں اضافہ کیا جاسکے۔ ان اقدامات کے نتیجے میں، پی آئی اے سی ایل نے آپریشنز سے 9.3 ارب روپے کا منافع حاصل کیا جو 2023 کے 3.9 ارب روپے کے مقابلے میں نمایاں اضافہ ظاہر کرتا ہے۔ پرانے قرضوں کے علیحدہ کیے جانے کے مثبت اثرات نقصان قبل از ٹیکس تک بھی پہنچے، جو 2024 میں 97 فیصد کم ہوا، جس کی بنیادی وجہ مالیاتی اخراجات اور زر مبادلہ کے نقصانات میں کمی تھی۔

پی آئی اے انویسٹمنٹس لمیٹڈ (پی آئی اے سی ایل)

جائزہ

پی آئی اے سی ایل نے سال 2024 کے دوران اپنی دو اہم بین الاقوامی جائیدادوں: روزویلٹ ہوٹل نیویارک اور سکریب ہوٹل پیرس کی دیکھ بھال اور نگرانی کا عمل جاری رکھا۔ سال 2024 میں، روزویلٹ ہوٹل نیویارک شہر کے ساتھ ایک معاہدے کے تحت مہاجرین کے لیے عارضی رہائش کے طور پر فعال رہا۔ اس انتظام نے کمپنی کو ایک مستقل آمدنی فراہم کی، جس کے ذریعے بقایا واجبات اور جاری عملی اخراجات کی ادائیگیاں ممکن ہوئیں۔ دوسری جانب، سکریب ہوٹل پیرس ایک بین الاقوامی شہرت یافتہ ہوٹل آپریٹر (آکور) کے ساتھ انتظامی معاہدے کے تحت معمول کے مطابق کام کرتا رہا، جو آمدنی کا مستحکم ذریعہ رہا۔ کمپنی نے دونوں اثاثہ جات کی طویل مدتی مالیت کے تحفظ پر توجہ مرکوز رکھی، جس میں موثر اثاثہ جاتی انتظام، معمول کی مرمت، اور مالیاتی بہتری شامل تھی۔ ان کوششوں میں اضافی فیڈز کو قلیل مدتی سرمایہ کاری میں استعمال کرنا اور مناسب لیکویڈیٹی برقرار رکھنا بھی شامل تھا۔ ان تمام اقدامات کے نتیجے میں سال کے دوران کمپنی کی مالی کارکردگی مستحکم رہی۔

اہم کامیابیاں اور سنگ میل

- مجموعی منافع میں نمایاں اضافے کے ساتھ مضبوط مالی کارکردگی حاصل کی گئی۔
- اثاثہ جات کے موثر انتظام کو یقینی بنایا گیا، جس میں جائیداد، پلانٹ اور مشینری کی مالیت 744 ملین امریکی ڈالر سے زائد رہی۔
- قلیل مدتی نقد سرمایہ اور سرمایہ کاری کے ذریعے مضبوط لیکویڈیٹی پوزیشن برقرار رکھی گئی۔

کارکردگی کا خلاصہ

سال ختم شدہ 2024 کے دوران، کمپنی نے 123.84 ملین امریکی ڈالر (34,701 ملین روپے) کی آمدنی ریکارڈ کی۔ سال کا خالص منافع 24.84 ملین امریکی ڈالر (6,960 ملین روپے) رہا، جو مثبت آپریٹنگ اور مالیاتی کارکردگی کی عکاسی کرتا ہے۔

اہم پیش رفت، خطرات اور چیلنجز

سال 2024 کے دوران ایک اہم پیش رفت یہ رہی کہ روزویلٹ ہوٹل کو نیویارک سٹی حکومت کے ساتھ معاہدے کے تحت مہاجرین کی رہائش کے لیے استعمال میں لایا گیا، جس کے نتیجے میں آمدنی کا ایک

نامزدگی		سکدوش	
تاریخ	ڈائریکٹر کا نام	تاریخ	ڈائریکٹر کا نام
26 مارچ 2024	جناب طارق باجوہ چیئر مین	20 جولائی 2024	جناب سیف انجم فیڈرل سیکریٹری، ایوی ایشن ڈویژن
26 مارچ 2024	جناب سیف انجم فیڈرل سیکریٹری، ایوی ایشن ڈویژن	08 دسمبر 2024	ایئر وائس مارشل محمد عامر حیات چیف ایگزیکٹو آفیسر
26 مارچ 2024	جناب امداد اللہ بوسال فیڈرل سیکریٹری فنانس		
26 مارچ 2024	جناب شہزاد دادا		
26 مارچ 2024	ایئر وائس مارشل محمد عامر حیات چیف ایگزیکٹو آفیسر		
26 مارچ 2024	جناب نعیم اقبال		
26 مارچ 2024	جناب جواد پال خواجہ فیڈرل سیکریٹری، پرائیویٹائزیشن ڈویژن		
26 مارچ 2024	جناب یوسف کھوسہ		
26 مارچ 2024	جناب جاوید قریشی		
26 مارچ 2024	سید ضمر محی الدین		
24 جولائی 2024	جناب احسن علی منگی فیڈرل سیکریٹری، ایوی ایشن ڈویژن		
20 دسمبر 2024	جناب خرم مشتاق قائم مقام چیف ایگزیکٹو آفیسر		

ذیلی اداروں اور اسٹریٹجک سرمایہ کاری کا جائزہ

31 دسمبر 2024 تک، پی آئی اے ایچ سی ایل درج ذیل بڑے ذیلی اداروں کی ملکیت رکھتی ہے:

پاکستان انٹرنیشنل ایئر لائنز کارپوریشن لمیٹڈ (پی آئی اے سی ایل)

جائزہ

پی آئی اے سی ایل، دورانِ جائزہ مکمل طور پر پی آئی اے ایچ سی ایل کی ملکیتی ذیلی کمپنی رہی۔ نجکاری کے روڈ میپ کے تحت، آپریشنل، مالیاتی اور ضابطہ جاتی سطح پر نمایاں تیاریوں کا آغاز کیا گیا۔ ایندھن کی قیمتوں، زرمبادلہ کی شرحوں اور ریگولیٹری دباؤ جیسے مسلسل چیلنجز کے باوجود، پی آئی اے سی ایل نے پروازوں کی بروقت روانگی کو بہتر بنایا، روٹس کی تنظیم نو کی، اور ملکی و علاقائی منڈیوں میں اپنے لوڈ فیکٹرز کو بہتر کیا۔

کارکردگی کا جائزہ

سال 2024 کے دوران کمپنی کی مجموعی آمدنی گزشتہ سال کے مقابلے میں 14 فیصد کم رہی، جس کی بنیادی وجہ گنجائش کی محدودیت تھی۔ اس کے باوجود، انتظامیہ نے آپریٹنگ اور مجموعی اخراجات پر سخت کنٹرول برقرار رکھا اور زیادہ مؤثر روٹس پر توجہ مرکوز کی، جس کے ساتھ جیٹ فیول کی قیمتوں میں کمی نے بھی مالی کارکردگی کو سہارا دیا۔ اس حکمت عملی کے نتیجے میں کمپنی کی خالص منافع میں نمایاں بہتری دیکھنے میں آئی۔

معزز شیئر ہولڈرز

پی آئی اے ہولڈنگ کمپنی لمیٹڈ (پی آئی اے ایچ سی ایل) کے بورڈ آف ڈائریکٹرز کو یہ اعزاز حاصل ہے کہ وہ کمپنی کی پہلی سالانہ رپورٹ بمعہ 31 دسمبر 2024 کو ختم ہونے والی مدت کے لیے آڈٹ شدہ مالیاتی گوشواروں اور اس پر مبصر آڈیٹر کی رپورٹ پیش کر رہا ہے۔

تشکیل اور پس منظر

پی آئی اے ہولڈنگ کمپنی لمیٹڈ ("ہولڈنگ کمپنی") کو 21 مارچ 2024 کو کمپنیز ایکٹ، 2017 کے تحت ایک پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا۔ ہولڈنگ کمپنی کا قیام حکومت پاکستان کی جانب سے ایک اہم حکمت عملی اور انتظامی اصلاحات کے طور پر عمل میں آیا تاکہ پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ (پی آئی اے ایچ سی ایل) کے غیر بنیادی اثاثہ جات، واجبات، اور آپریشنز کو علیحدہ کیا جاسکے اور ایک ایسا ادارہ تشکیل دیا جاسکے جو قرضوں کے تصفیے، اثاثہ جات کے انتظام، اور تنظیم نو کے ذریعے پی آئی اے ایچ سی ایل کی نجکاری کے عمل کی معاونت کرے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے کمپنیز ایکٹ، 2017 کی دفعات 279 سے 282 کے تحت 03 مئی 2024 کو منظور کردہ اسکیم آف ریجنٹ کے مطابق، پی آئی اے ایچ سی ایل کے کاروباری آپریشنز کی تنظیم نو کی گئی۔ اس اسکیم کے تحت کچھ اثاثے، واجبات، ذیلی کمپنیاں، اور مفادات پی آئی اے ایچ سی ایل سے پی آئی اے ایچ سی ایل کو مؤثر طور پر 30 اپریل 2024 سے منتقل کر دیے گئے۔

پی آئی اے ایچ سی ایل اب پی آئی اے ایچ سی ایل کی ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور مختلف ذیلی اداروں اور منسلک کمپنیوں کی نگرانی کرتی ہے، جن کا مقصد مالیاتی پائیداری، بہتر نظم و نسق، اور طویل مدتی قدر میں اضافہ کو فروغ دینا ہے۔

کارکردگی کا جائزہ

برائے سال ختم 31 دسمبر 2024، پی آئی اے ایچ سی ایل نے اپنے مکمل پہلے سالانہ آپریشنز کی تکمیل کی۔ مرکب مالیاتی گوشوارے ہولڈنگ کمپنی اور اس کی ذیلی کمپنیوں کی کارکردگی کی عکاسی کرتے ہیں۔ اس عبوری سال کے دوران توجہ کامرکز وراثت میں حاصل شدہ اثاثہ جات و واجبات کو منظم کرنا، عملی استحکام کو یقینی بنانا، اور حکمت عملی کے تحت بہتر کارکردگی کے لیے تیاری کرنا رہا۔

اہم مالیاتی جھلکیاں (مجموعی طور پر)

- کل اثاثے: 396 ارب روپے
- کل واجبات: 959 ارب روپے
- خالص منفی ایکویٹی: 563 ارب روپے
- آمدنی: 239.6 ارب روپے
- آپریٹنگ منافع: 18.62 ارب روپے
- ٹیکس کے بعد خالص نقصان: 15.35 ارب روپے
- A' مگلاس عام حصص یافتگان کے لیے فی حصص نقصان: 2.93 روپے
- B' مگلاس عام حصص یافتگان کے لیے فی حصص نقصان: 1.47 روپے

بورڈ آف ڈائریکٹرز میں تبدیلی

پی آئی اے ایچ سی ایل کے قیام کے بعد، 21 مارچ 2024 سے 31 دسمبر 2024 کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں درج ذیل تبدیلیاں واقع ہوئیں:

BOARD MEETINGS ATTENDANCE

MEETINGS DATE	BM-01 27/03/2024	BM-02 17/04/2024	BM-03 06/05/2024	BM-04 08/06/2024	BM-05 21/06/2024	BM-06 29/07/2024	BM-07 18/09/2024	BM-08 10/10/2024	BM-09 13/12/2024
ATTENDED BY									
Mr Tariq Bajwa <i>Chairman</i>	✓ VL	✓	✓ VL	✓	✓	✓	✓ VL	✓	✓
Mr Saif Anjum <i>Federal Secretary Aviation Division</i>	✓	✓	Leave of Absence	✓ VL	✓	-	-	-	-
Mr Imdad Ullah Bosal <i>Federal Secretary Finance Division</i>	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Mr Shazad Dada	✓ VL	✓ VL	✓ VL	✓	✓ VL	✓ VL	✓ VL	✓ VL	✓ VL
AVM Muhammad Amir Hayat <i>Chief Executive Officer</i>	✓	✓	✓	✓	✓	✓	✓ VL	✓	-
Mr Naeem Iqbal	✓	✓	✓	✓	✓	✓	Leave of Absence	Leave of Absence	✓
Mr Jawad Paul Khawaja <i>Federal Secretary Privatization Division</i>	✓	✓	✓ VL	✓	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Mr Yousaf Khosa	✓ VL	✓	✓	✓	✓	✓	✓ VL	✓	✓
Mr Javed Kureishi	✓	✓ VL	✓ VL	✓	✓	✓	✓ VL	Leave of Absence	✓ VL
Syed Zibber Mohiuddin	✓	✓	✓	✓ VL	✓	✓	✓ VL	✓	✓
Mr Ahsan Ali Mangi <i>Federal Secretary Aviation Division</i>	-	-	-	-	-	✓	Leave of Absence	✓	Leave of Absence

Note:

- Mr Saif Anjum ceased to be Director on 20 July 2024
- Mr Ahsan Ali Mangi appointed as ex-officio Director on 24 July 2024
- AVM Muhammad Amir Hayat completed his tenure and ceased to be CEO & Director on 09 December 2024
- Mr Khurram Mushtaq appointed as Acting Chief Executive Officer on 20 December 2024

Disclosure:

- Since the company was incorporated on March 21, 2024, a total of 09 Meetings were conducted during the period.
- Per Meeting fee was PKR 50,000/- exclusive of Air Ticket fare and Hotel Accommodation.

ATTENDANCE OF DIRECTORS AT COMMITTEE MEETINGS

BOARD AUDIT & FINANCE COMMITTEE

MEETINGS DATE	BAC-01 04/06/2024
ATTENDED BY	
Mr Shazad Dada Chairman	✓
Mr Imdad Ullah Bosal Federal Secretary Finance Division	Leave of Absence
Mr Javed Kureishi	✓
Syed Zibber Mohiuddin	✓ VL

BOARD HR & LEGAL COMMITTEE

MEETINGS DATE	BHR&LC-01 31/05/2024	BHR&LC-02 28/06/2024	BHR&LC-03 09/10/2024	BHR&LC-04 01/11/2024
ATTENDED BY				
Mr Yousaf Khosa Chairman	✓	✓	✓	✓
Mr Saif Anjum Federal Secretary Aviation Division	✓ VL	Leave of Absence	-	-
AVM Muhammad Amir Hayat Chief Executive Officer	✓	✓	✓	✓
Mr Naeem Iqbal	✓	✓	✓	✓
Mr Ahsan Ali Mangi Federal Secretary Aviation Division	-	-	-	✓ VL

Disclosure:

- Since the company was incorporated on March 21, 2024, a total 01 Meeting of Board Audit Committee and 04 meetings of Board HR & Legal Committee were conducted during the period.
- Per Meeting fee was PKR 50,000/- exclusive of Air Ticket fare and Hotel Accommodation.

AUDITORS' REVIEW REPORT ON STATEMENT OF COMPLIANCE

Contained In Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of PIA Holding Company Limited (the Company) for the period ended 31 December 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

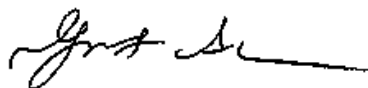
As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period ended 31 December 2024.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Regulation reference	Description
1	7	The Board does not have a female director.
8	27 (2) (i)	The Audit Committee met only once during the period, thereby not meeting the quarterly requirements.



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: August 01, 2025
UDIN: CR202410154Sgyxvso6u

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: PIA Holding Company Limited

Period Ended: 31 December 2024

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") issued by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of the Regulations. In view of the above, the Company applied the principles contained in the Regulations in the following manner:

1. The company has complied with the requirements of the Regulations in the following manner:

The total number of Directors are Eleven (11) as per the following:

- | | |
|-------------------|----------|
| a) Male: | Ten (10) |
| b) Female* | - |
| c) Casual Vacancy | One (01) |

** The Government nominated a female director on 12 August 2024, but she declined the position on 29 August 2024, due to professional commitments. A request for a replacement was sent to the Ministry of Aviation on 30 August 2024, and the appointment is still pending.*

The appointment of directors to the Board of SOEs falls under the purview of the Board Nomination Committee constituted by the Federal Government, in accordance with Section 10 of the SOE Act, 2023. This Committee is responsible for identifying and recommending suitable candidates to the Federal Government for appointment as directors on the boards of SOEs.

2. The composition of the Board of Directors (Board) as on 31 December 2024 was as follows:

Category	Names	Date of Appointment
Independent Directors	Mr Tariq Bajwa	26 March 2024
	Mr Shazad Dada	26 March 2024
	Mr Naeem Iqbal	26 March 2024
	Mr Yousaf Khosa	26 March 2024
	Mr Javed Kureishi	26 March 2024
	Syed Zibber Mohiuddin	26 March 2024
Non-Executive Directors	Mr. Imdad Ullah Bosal	26 March 2024
	<i>Federal Secretary Finance</i>	
	Mr Jawad Paul Khawaja	26 March 2024
	<i>Federal Secretary Privatization Division</i>	
	Mr Ahsan Ali Mangi	24 July 2024
	<i>Federal Secretary Aviation Division</i>	
Executive Member	Mr. Khurram Mushtaq	20 December 2024
Female Director	-	-

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

5. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
6. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
7. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.
8. The Board has arranged Directors' Training program for the following directors:

S. No.	Name of Director(s)
01	Syed Zibber Mohiuddin
02	Mr. Yousaf Khosa

9. The Board has approved appointment of chief financial officer, company secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations, except appointment of head of internal audit.
10. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
11. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE		HUMAN RESOURCE & REMUNERATION COMMITTEE	
Mr. Shazad Dada	Chairman	Mr. Yousaf Khosa	Chairman
Mr. Javed Kureishi	Member	Mr. Naeem Iqbal	Member
Mr. Imdad Ullah Bosal	Member	Mr. Ahsan Ali Mangi	Member
Syed Zibber Mohiuddin	Member		

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
13. The frequency of meetings of the committees were as per the following:

Committee's Name	Frequency of Meetings (yearly)
Audit Committee*	01
Human Resource & Remuneration Committee	04

** PIA Holding Company, incorporated on 21 March 2024, experienced delays in convening Audit Committee meetings and finalizing financial statements, primarily due to the complex transfer of assets and liabilities under a Scheme of Arrangement and special audits conducted at its principal subsidiary, PIACL, in connection with its currently ongoing privatization process. As this marks the Company's first year of operations, certain regulatory requirements could not be fully met within the prescribed timelines. Nonetheless, the Company has initiated corrective actions and remains committed to achieving full compliance by the end of the current year.*

14. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
15. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

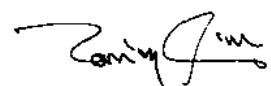
16. We confirm that all other requirements of regulations 3, 6, 8, 32, 33 and 36 of the Regulations have been complied with.
17. Explanation with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as below:

S. No.	Requirement	Explanation	Reg No.
1	The Board shall establish risk management policies and determine the company's risk tolerance. It shall annually review business risks to ensure an effective system of risk identification, management, and internal controls is in place.	The Board has not yet formalized the Company's risk management policies due to its recent establishment and ongoing corporate structuring. However, it recognizes the importance of a structured framework and is committed to developing a comprehensive risk management policy, expected to be finalized within the next reporting period.	10 (2)
2	The Board shall ensure the establishment of a formal code of conduct fostering an ethical corporate culture and mitigating conflicts of interest at all levels. The Board is also responsible for its effective dissemination, supported by relevant policies and procedures, across the organization.	The Code of Conduct for the company is in final stages of approval. Company's HR policies have been approved and implemented post period under review.	10 (3) (ii)
3	The Board shall ensure the establishment, effective implementation, and maintenance of a sound internal control system across all levels of the company.	The internal control system is under development, with some measures initiated; however, a comprehensive framework is yet to be fully established. The Board is committed to strengthening and formalizing internal controls.	10 (3) (iii) (iv)
4	The Board shall implement a formal and effective mechanism for the annual evaluation of its own performance, including that of individual members and committees. It is further encouraged to undergo an independent external evaluation at least once every three years.	The formal annual evaluation of the Board, its committees, and individual directors was not conducted during the year due to the recent incorporation of PIAHCL. A structured evaluation mechanism will be implemented in the current financial year.	10 (3) (v)
5	The Board is responsible for ensuring the maintenance of a comprehensive record of all significant policies, including their approval and revision dates. These policies must encompass critical areas such as risk governance, human resource planning, financial authority, ESG considerations, related party transactions, and whistle-blowing mechanisms.	A centralized policy register, including approval and revision dates, is yet to be fully implemented, though key policies are under development or approval. The Board is committed to formalizing all significant policies in the coming year to achieve full regulatory compliance.	10 (4)
6	The agenda and all relevant material shall be circulated to the participants at least seven days prior to the meeting. In case of an emergency, the notice period may be appropriately reduced or waived.	The Company generally circulates Board meeting agendas and materials at least seven days in advance. However, due to operational exigencies, this requirement was not met in some cases. Formal waivers were obtained for reduced notice, and directors were kept adequately informed. Steps are being taken to enhance internal planning and ensure future compliance.	11 (2)
7	Related party transactions shall be periodically submitted to the Audit Committee for review and recommendation, and	Only one meeting of the Board Audit Committee was held during the year, primarily due to the transitional phase following the incorporation of	15

S. No.	Requirement	Explanation	Reg No.
	subsequently placed before the Board for approval. Where a majority of directors are interested, the transactions shall be approved by the shareholders in a general meeting.	PIA Holding Company Limited and the ongoing establishment of its governance structure. Consequently, related party transactions were not submitted periodically to the Audit Committee for review and recommendation, nor subsequently placed before the Board as required under the Code. This has been noted for future compliance, and the Company is taking steps to strengthen its internal processes to ensure adherence to the Code going forward.	
8	Listed companies are required to conduct a Directors' Orientation Program to apprise board members of applicable laws, these Regulations, and their fiduciary responsibilities.	PIAHCL Board comprises senior civil servants, corporate leaders and business executives, who are seasoned professionals from their respective fields and most of them have already served on number of Boards during their careers. As such the requirement of a 'class room style' orientation is rendered meaningless. Nevertheless, they are provided with detailed orientation material encompassing relevant statutes, rules, regulations and industry specific terminologies as 'Board Pack' at the time of their joining and subsequently kept updated.	18
9	Every company is required to establish an independent internal audit function, led by a suitably qualified and experienced individual reporting functionally to the Audit Committee and administratively to the Chief Executive Officer. The function may be performed in-house or outsourced (excluding the company's external auditors), with all internal audit reports subject to review by external auditors and discussion with the Audit Committee.	Since this was company's first year of establishment, significant efforts were dedicated towards its structuring. This involved establishment of various foundational elements, and as a result, there were discussions within the board regarding the adoption of necessary governance practices. Consequently, there was a delay in complete implementation of certain compliance requirements. It is acknowledged that this being the first year of the Company's operations, there were challenges in fully adhering to all regulatory requirements promptly. However, the Company is committed to addressing these issues and has taken concrete steps towards achieving full compliance.	31



Asad Rasool
Chief Executive Officer



Tariq Bajwa
Chairman

PATTERN OF SHAREHOLDING

As on December 31, 2024

Shareholding			Ordinary 'A' Class	Ordinary 'B' Class
From	To	No. of Shareholders	Total Shares Held	Total Shares Held
1	To 100	7037	188,577	1,382
101	To 500	29000	8,132,222	934
501	To 1000	4624	3,950,768	510
1001	To 5000	5378	13,487,270	-
5001	To 10000	1183	9,276,885	-
10001	To 15000	445	5,660,289	-
15001	To 20000	322	5,919,533	-
20001	To 25000	221	5,186,157	-
25001	To 30000	135	3,858,573	-
30001	To 35000	78	2,563,625	34,658
35001	To 40000	76	2,958,833	-
40001	To 45000	33	1,403,668	-
45001	To 50000	102	5,044,199	-
50001	To 55000	44	2,323,648	-
55001	To 60000	25	1,481,786	-
60001	To 65000	25	1,575,227	-
65001	To 70000	21	1,427,411	-
70001	To 75000	23	1,699,315	-
75001	To 80000	21	1,662,794	-
80001	To 85000	8	673,940	-
85001	To 90000	7	615,726	-
90001	To 95000	9	843,636	-
95001	To 100000	56	5,592,629	-
100001	To 105000	17	1,738,337	-
105001	To 110000	6	650,318	-
110001	To 115000	4	453,536	-
115001	To 120000	8	948,595	-
120001	To 125000	13	1,612,830	-
125001	To 130000	7	897,506	-
130001	To 135000	4	534,084	-
135001	To 140000	4	549,960	-
140001	To 145000	6	862,412	-
145001	To 150000	13	1,944,469	-
150001	To 155000	8	1,215,986	-
155001	To 160000	5	798,000	-
160001	To 165000	8	1,298,557	-
165001	To 170000	4	668,116	-

Shareholding

Ordinary 'A' Class

Ordinary 'B' Class

From	To	No. of Shareholders	Total Shares Held	Total Shares Held
170001	To 175000	7	1,220,814	-
175001	To 180000	6	1,068,082	-
180001	To 185000	3	551,788	-
185001	To 190000	3	563,500	-
190001	To 195000	3	582,470	-
195001	To 200000	19	3,787,799	-
200001	To 205000	4	810,600	-
205001	To 210000	2	420,000	-
210001	To 215000	4	852,247	-
215001	To 220000	3	660,000	-
220001	To 225000	3	666,845	-
225001	To 230000	3	686,052	-
230001	To 235000	2	466,050	-
235001	To 240000	1	236,200	-
240001	To 245000	2	482,235	-
245001	To 250000	8	1,997,500	-
255001	To 260000	2	515,500	-
260001	To 265000	1	262,600	-
265001	To 270000	2	536,650	-
270001	To 275000	3	823,000	-
275001	To 280000	3	834,640	-
280001	To 285000	1	280,500	-
285001	To 290000	1	290,000	-
295001	To 300000	7	2,100,000	-
300001	To 305000	1	302,000	-
305001	To 310000	2	614,000	-
310001	To 315000	1	313,000	-
315001	To 320000	2	640,000	-
325001	To 330000	2	653,044	-
335001	To 340000	1	335,400	-
340001	To 345000	1	344,340	-
345001	To 350000	3	1,050,000	-
350001	To 355000	2	709,000	-
355001	To 360000	1	356,000	-
370001	To 375000	4	1,494,500	-
375001	To 380000	1	380,000	-
390001	To 395000	1	391,000	-
395001	To 400000	2	800,000	-
420001	To 425000	1	422,000	-
465001	To 470000	1	468,000	-
485001	To 490000	1	486,000	-

Shareholding

Ordinary 'A' Class Ordinary 'B' Class

From	To	No. of Shareholders	Total Shares Held	Total Shares Held
490001	To 495000	1	494,500	-
495001	To 500000	7	3,498,000	-
500001	To 505000	2	1,001,500	-
525001	To 530000	1	526,950	-
540001	To 545000	1	543,000	-
550001	To 555000	2	1,104,500	-
555001	To 560000	1	556,000	-
560001	To 565000	2	1,127,242	-
565001	To 570000	1	567,504	-
570001	To 575000	1	575,000	-
585001	To 590000	1	588,985	-
595001	To 600000	1	600,000	-
605001	To 610000	2	1,213,500	-
625001	To 630000	1	626,304	-
630001	To 635000	1	630,067	-
645001	To 650000	1	650,000	-
690001	To 695000	1	691,500	-
695001	To 700000	1	700,000	-
700001	To 705000	1	700,411	-
710001	To 715000	1	711,000	-
715001	To 720000	1	718,000	-
720001	To 725000	1	721,505	-
745001	To 750000	1	750,000	-
775001	To 780000	1	780,000	-
830001	To 835000	1	830,010	-
835001	To 840000	1	840,000	-
895001	To 900000	1	900,000	-
945001	To 950000	1	946,053	-
955001	To 960000	1	959,251	-
995001	To 1000000	2	2,000,000	-
1015001	To 1020000	1	1,019,658	-
1035001	To 1040000	1	1,037,500	-
1040001	To 1045000	1	1,041,965	-
1065001	To 1070000	1	1,068,094	-
1105001	To 1110000	1	1,106,100	-
1160001	To 1165000	1	1,163,029	-
1175001	To 1180000	1	1,178,101	-
1185001	To 1190000	1	1,188,400	-
1240001	To 1245000	1	1,243,878	-
1280001	To 1285000	1	1,284,000	-
1290001	To 1295000	1	1,291,044	-

Shareholding			Ordinary 'A' Class	Ordinary 'B' Class
From	To	No. of Shareholders	Total Shares Held	Total Shares Held
1320001	To 1325000	1	1,323,786	-
1395001	To 1400000	1	1,400,000	-
1415001	To 1420000	1	1,418,000	-
1495001	To 1500000	2	3,000,000	-
1695001	To 1700000	1	1,700,000	-
1995001	To 2000000	1	2,000,000	-
2285001	To 2290000	1	2,285,500	-
2645001	To 2650000	1	2,650,000	-
2850001	To 2855000	1	2,854,000	-
3585001	To 3590000	1	3,587,000	-
4995001	To 5000000	1	5,000,000	-
6090001	To 6095000	1	6,090,135	-
7515001	To 7520000	1	7,519,796	-
502500001	To 5025100000	1	5,023,608,577	1,462,515
Total		49167	5,233,762,118	1,499,999

CATEGORIES OF SHAREHOLDERS

As on December 31, 2024

Categories of Shareholders	Number of Shareholders	Number of Shares Held		Percentage
		Ordinary "A" Class	Ordinary "B" Class	
Government of Pakistan Federal Government which holds more than five percent voting rights shares held in the name of Secretary, Ministry of Defence and Secretary Aviation Division	1	5,023,608,577	1,462,515	95.99
Associated Companies, undertakings and related parties	-	-	-	-
Mutual Funds CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	202,650	-	0.00
Directors and their spouse(s) and minor children	-	-	-	-
Executives	-	-	-	-
Public Sector Companies and Corporations	9	5,024,147	-	0.10
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	15	878,889	-	0.01
General Public a) Local b) Foreign	47,667 1,282	178,599,716 3,637,564	2,303 520	3.41 0.07
Foreign Companies	14	29,777	-	-
Others	178	21,780,798	34,661	0.42
Totals	49,167	5,233,762,118	1,499,999	100.00

The above two statements include 10,762 Shareholders holding 189,043,116 ordinary 'A' class shares and 2,626 Ordinary 'B' class shares through the Central Depository Company of Pakistan Limited

SHARE CAPITAL

As on December 31, 2024

December 2024

---Number of Shares---

December 2024

---Pak Rupees---

AUTHORIZED CAPITAL

Ordinary Share Capital		
5,349,250,000	'A' class shares of Rs.10/- each	53,492,500,000
1,500,000	'B' class shares of Rs.5/- each	7,500,000
5,350,750,000		53,500,000,000

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Ordinary Share Capital		
5,233,762,118	'A' class shares of Rs.10/- each	52,337,621,180
1,499,999	'B' class shares of Rs.5/- each	7,499,995
		52,345,121,175

UNCONSOLIDATED
FINANCIAL
STATEMENTS

INDEPENDENT AUDITORS' REPORT

to the Members on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **PIA Holding Company Limited** (the Company), which comprise the unconsolidated statement of financial position as at **31 December 2024**, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the period from 21 March 2024 to 31 December 2024 and notes to the unconsolidated financial statements, including material accounting policies 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 explanations given to us, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 31 December 2024 and of the loss and total comprehensive loss, the changes in equity and its cash flows for the period then ended.

Basis for Qualified Opinion

As disclosed in note 16 to the unconsolidated financial statements, assets and liabilities relating to Precision Engineering Complex (PEC) amounted to Rs. 524.629 million and Rs. 3,003.452 million respectively as of 31 December 2024. Further, during the period, the Company incurred a net loss amounting to Rs. 382.316 million in respect of PEC operations. However, for the purposes of our audit, we have not been provided with the information and documents to obtain sufficient appropriate audit evidence for the said amounts / transactions. Accordingly, we have been unable to satisfy ourselves in respect of the above PEC balances, operations and transactions.

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:

- i) note 1.2 to the unconsolidated financial statements which states that the Government of Pakistan (GoP) has confirmed to extend maximum financial support to the Company to maintain its going concern status. Hence, the sustainability of the future operations of the Company is dependent on the said support.
- ii) note 24 to the unconsolidated financial statements which states that the Company is exposed to certain claims which are not acknowledged by the Company, the ultimate outcome of which cannot presently be determined and accordingly, no provision has been made in respect of these claims in the unconsolidated financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Long-term financing As disclosed in note 18 to the unconsolidated financial statements, long-term financing amounts to Rs 377,649.224 million which constitutes approximately 52% of total liabilities of the Company, Given the significance of long-term financing to the Company's total liabilities, we have identified long-term financing as a key audit matter.	Our key procedures amongst others included the following: - obtained and reviewed the financing agreements and facility letters executed during the period. - tested the calculation of finance costs recognized in the unconsolidated statement of profit or loss and checked in line with the financing agreements. - circularized confirmations to the financial institutions with outstanding loan balances at the end of the period. We also reviewed the maturity analysis of the financing to ascertain the classification of loans as per their remaining maturity. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

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

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

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

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

In preparing the unconsolidated 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 of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

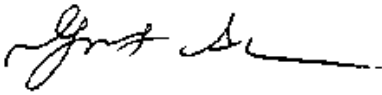
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of

2017), State-Owned Enterprises (Governance and Operations) Act, 2023 and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the period 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 partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.



Grant Thornton Anjum Rahman

Chartered Accountants

Karachi

Date: August 01, 2025

UDIN: AR202410154B7k2Vncyh

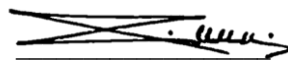
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

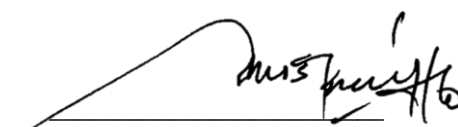
At December 31, 2024

	Note	(Rupees in '000)
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	6	5,839
Investment property	7	10,600,975
Long-term investments	8	56,905,466
		<u>67,512,280</u>
CURRENT ASSETS		
Stores and spares	9	-
Trade debts	10	-
Advances	11	-
Trade deposits and short-term prepayments	12	-
Loan to subsidiaries	13	3,879,803
Other receivables	14	9,286,060
Bank balances	15	2,239,999
		<u>15,405,861</u>
Assets held for sale	16	524,629
TOTAL ASSETS		<u><u>83,442,770</u></u>

The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

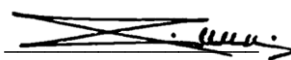
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

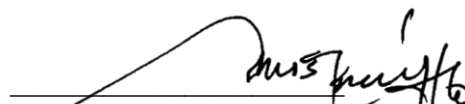
At December 31, 2024

	Note	(Rupees in '000)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	17	52,345,120
Reserves		(698,988,529)
		<u>(646,643,409)</u>
NON CURRENT LIABILITIES		
Long-term financing	18	374,516,785
Deferred liabilities	19	31,945,356
		<u>406,462,141</u>
CURRENT LIABILITIES		
Trade and other payables	20	194,817,420
Accrued interest / mark-up	21	111,459,187
Short-term borrowings	22	-
Advance from subsidiaries	23	11,187,297
Provision for taxation		24,242
Current portion of long term financing	18.1	3,132,440
		<u>320,620,586</u>
Liabilities related to assets held for sale	16	3,003,452
TOTAL EQUITY AND LIABILITIES		<u><u>83,442,770</u></u>
CONTINGENCIES	24	

The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

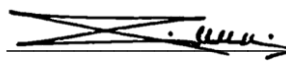
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

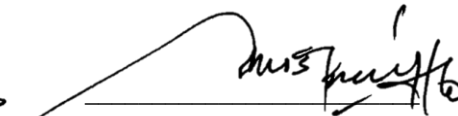
For the period from March 21, 2024 to December 31, 2024

	Note	(Rupees in '000)
General and administrative expenses	25	(3,702,846)
Other income	26	1,768,076
Finance costs	27	(46,011,933)
Loss from continued operations		(47,946,703)
Loss from discontinued operations	16.2	(382,316)
Loss before taxation		(48,329,018)
Taxation	28	793,778
Net loss for the period		(47,535,240)
(Rupees)		
Loss per share - basic and diluted	29	
Loss attributable to:		
'A' class ordinary shares of Rs. 10/- each		(9.08)
'B' class ordinary shares of Rs. 5/- each		(4.54)

The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from March 21, 2024 to December 31, 2024

(Rupees in '000)

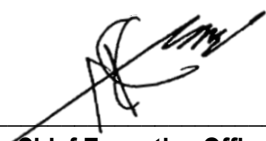
Net loss for the period (47,535,240)

*Items not to be reclassified to profit or loss in
subsequent periods*

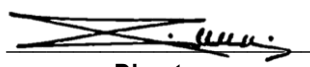
Remeasurement gain on employee benefit obligations- net of tax 2,075,048

Total comprehensive loss for the period (45,460,192)

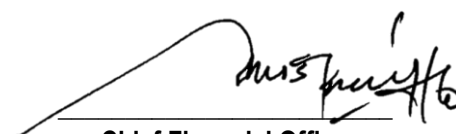
The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the period from March 21, 2024 to December 31, 2024

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Note

Loss for the period (48,329,018)

Adjustments for:

Depreciation	171,628
Finance costs	46,011,934
Allowance for ECL	95,271
Other receivables written off	3,060
Store and spares written off	6,937
Advances written off	1,484
Provision for impairment	396
Unrealised gain on investment property	(918,182)
Property and equipment written off	76,072
Trade deposits and short-term prepayments written off	1,679
Unrealised exchange loss	40,430
Dividend income	(196,901)
Deferred liabilities	3,408,660
	48,702,468
Net cash generated from operating activities	373,450

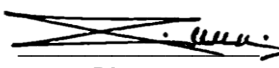
Working capital changes:

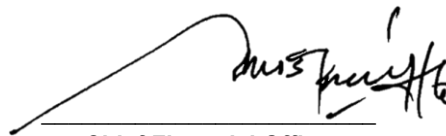
Other receivables	(552,415)
Trade and other payables	2,377,495
	1,825,080
Increase in cash and cash equivalents during the period	2,198,530

Cash and cash equivalents acquired under the Scheme	1.3	41,470
Cash and cash equivalents at end of the period		2,239,999

The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from March 21, 2024 to December 31, 2024

	Reserves					Total equity
	Share capital	Demerger reserve	Accumulated loss	Remeasurement gain on employee benefit obligations	Total reserves	
				(Rupees in '000)		
Ordinary shares under the Scheme (note 1.3.1)	52,345,110	-	-	-	-	52,345,110
Issuance of 1,000 ordinary shares of Rs. 10/- each	10	-	-	-	-	10
Reserve under the Scheme (note 1.3)	-	(653,528,337)	-	-	(653,528,337)	(653,528,337)
	52,345,120	(653,528,337)	-	-	(653,528,337)	(601,183,217)
Loss for the period	-	-	(47,535,240)	-	(47,535,240)	(47,535,240)
Other comprehensive income	-	-	-	2,075,048	2,075,048	2,075,048
Total comprehensive (loss) / income for the period	-	-	(47,535,240)	2,075,048	(45,460,192)	(45,460,192)
Balance as at 31 December 2024	52,345,120	(653,528,337)	(47,535,240)	2,075,048	(698,988,529)	(646,643,409)

The annexed notes from 1 to 35 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the period from March 21, 2024 to December 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 PIA Holding Company Limited (the Company) was incorporated in Pakistan under the Company's Act, 2017 (the Act) on 21 March 2024 and listed on Pakistan Stock Exchange on 27 May 2024. The registered office of the Company is situated at PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad. The principal activity of the Company is to act as the holding company of its subsidiaries and associates.
- 1.2 During the period, the Company incurred a net loss of Rs. 47,535.239 million and as of the reporting date, the current liabilities of the Company exceeded its current assets by Rs. 305,214.724 million. However, the management has made an assessment of the Company's ability to continue as a going concern and believes that the sustainability of the future operations of the Company is dependent on the support of the Government of Pakistan (GoP) therefore, no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, these unconsolidated financial statements are prepared on a going concern basis.
- 1.3 In accordance with the Scheme of Arrangement (SoA), Pakistan International Airlines Corporation Limited (PIACL) completed a business restructuring exercise after obtaining approval from the Privatization Commission (PC), along with legal and regulatory approvals. The effective date of the SOA was 30 April 2024 and with effect from the said date the entire shareholding of PIACL was transferred to the Company and PIACL became the wholly owned subsidiary of the Company. As a result of the restructuring of the PIACL's business, certain assets and liabilities were transferred to the Company. The details of assets and liabilities transferred to the Company and its consequential effect on the reserves of the Company as of 30 April 2024 are as follows:

	Note	(Rupees in '000)
ASSETS		
Property and equipment	6	7,606,304
Investment property	7	2,332,026
Long-term investments	8	4,560,744
Stores and spares	9	154,445
Trade debts	10	-
Advances	11	23,330
Trade deposits and short-term prepayments	12	1,679
Loan to subsidiaries	13	3,910,769
Other receivables	14	1,555,049
Bank balances	15	41,470
		<u>20,185,815</u>
LIABILITIES		
Long-term financing	18	(328,075,995)
Deferred liabilities	19	(35,261,881)
Trade and other payables	20	(158,373,069)
Accrued interest	21	(92,935,218)
Short-term borrowings	22	(47,722,791)
Advance from subsidiaries	23	(11,345,199)
		<u>(673,714,153)</u>
NET ASSETS (transferred to reserves under the Scheme)		<u><u>(653,528,338)</u></u>

1.3.1 In accordance with the SoA, the share capital of PIACL amounting to Rs. 52,345.110 million was extinguished and transferred to the Company and the same has been accounted for as investment in PIACL in the books of account of the Company.

1.3.2 The Company is in the process of transfer of ownership title of immoveable property as these are currently in the name of PIACL. Further, the agreements with subsidiaries / group companies are in the name of PIACL and the Company is in the process of necessary updation in these agreements.

2 STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These unconsolidated 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 State-Owned Enterprises (Governance and Operations) 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 unconsolidated financial statements have been prepared under the historical cost convention except otherwise disclosed in the unconsolidated financial statements.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3 BASIS OF PREPARATION

3.1 Accounting standards / amendments that are effective in current year

There are certain new accounting standards and amendments that are mandatory for the Company's accounting periods beginning on or after 21 March 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 unconsolidated financial statements.

3.2 Accounting standards not yet effective

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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable

under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates is revised and in any future years effective. Significant accounting estimates and judgements are disclosed in the relevant notes to these unconsolidated financial statements.

5 MATERIAL ACCOUNTING POLICIES

During the period, the Company has adopted the following accounting policies for the preparation of these unconsolidated financial statements.

5.1 Property and equipment

Operating fixed assets

Land classified as amenity plots are stated at cost less accumulated impairment losses, if any.

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

Other items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the statement of profit or loss, applying the straight-line method. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month preceding the disposal. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An item of property and equipment is derecognized 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 derecognized.

5.2 Investment property

Property held for rental earning or capital appreciation or both are classified as investment property. These are measured initially at cost, including related transaction costs directly attributable to acquisition and subsequently carried at their fair values based on market value determined by professional independent valuers on a continuing basis. Gain or loss arising as a result of fair valuation is recorded in the statement of profit or loss.

5.3 Investments in subsidiaries and associates

These are stated at cost less accumulated impairment losses, if any.

5.4 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost less provision for impairment.

5.5 Cash and cash equivalents

These are stated at cost.

5.6 Trade and other payables

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

5.7 Loans and borrowings

These are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

5.8 Financial instruments

Financial assets and financial liabilities

The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is included in the statement profit or loss of the current period.

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 unconsolidated 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 realize the asset and settle the liability simultaneously.

Impairment of financial assets

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 effective interest rate. 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 enhancement held by the Company. 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. 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's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

5.9 Revenue recognition

Other income is recognized on accrual basis

5.10 Employee benefits

In accordance with the SoA, pension and medical obligations of the employees of PIAHL who were retired on or before 30 September 2023 have been transferred to the Company. These are accounted for on the basis of actuarial valuation carried out annually. The latest actuarial valuations were carried out as of 31 December 2024 using the projected unit credit method. Interest and current service cost are recognised in unconsolidated statement of profit or loss and any actuarial gains / (losses) are recognised in unconsolidated statement of comprehensive income.

5.11 Taxation

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

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the reporting date, between the tax bases of the assets and the liabilities and their carrying amounts. 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. Deferred tax is calculated at the rates that are expected to apply to the period when differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting period.

5.12 Provisions

Provisions are recognized 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.

5.13 Assets held for sale

These are classified as held for sale if their carrying amounts will be recovered principally through sale / disposal rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

5.14 Discontinued operations

A discontinued operation is a component of the Company's business that has been discontinued or disposed off or is held-for-sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

5.15 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.

5.16 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.

6.16 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.

PIAHCL
PIA Holding Company Ltd.

6.1 The immoveable assets of the Company are as follows:

Location	Covered area (Square Yards)
Super Highway, Karachi	968,000
Gulistan e Jauhar, Karachi	48,200
Commissioner Road, Turbat	18,295
Nathia Gali Road, Abbottabad	17,091
Port Road, Ormara	10,000
Sector I-11/4 PirWadhui, Rawalpindi	7,200
Ahmed Shah Abdali Road, Multan	6,534
Egerton Road, Lahore	4,598
Airport, Skardu	4,235
264 Ra – Lines, Karachi	3,935
Polo Ground, Chitral	3,666
Airport Road, Gawadar.	2,865
Block 16, 26/6 Civil Lines, Faisalabad	1,974
K.D.A Scheme 1 Karsaz, Karachi	1,874
Minara Road, Sukkur	1,872
Paris Road, Sialkot	1,778
Shah Faisal Colony, Karachi	1,667
N.L.I Road, Gilit	1,276
Mohib Road Chishma Bazar, Skardu	1,250
Faizabad Road, Swat	1,210
Township Phase 1 Mingora, Swat	1,210
K.D.A Scheme 1 Karsaz, Karachi	1,120
Chattar, Muzaffarabad, Azad Kashmir	444
Thandi Sarak, Hyderabad	340
Cantt Road, Dera Ismail Khan	234

		31 December 2024
7 INVESTMENT PROPERTY	Note	(Rupees in '000)
Land		8,339,492
Buildings		2,261,483
	7.1	<u>10,600,975</u>
7.1 Transferred from PIACL	1.3	2,332,026
Reclassification from property and equipment	6	7,350,766
Gain on revaluation		918,182
		<u>10,600,974</u>

7.1.1 The fair valuation of the investment property as at 31 December 2024 was performed by an independent valuer RBS Associates (Private) Limited which falls under level 2 of fair value hierarchy. The forced sale value of the investment property is estimated to be Rs. 8,480.780 million

7.2 Rental income earned during the year was Rs. 104.490 million.

			31 December 2024 (Rupees in '000)
8	LONG-TERM INVESTMENTS	Note	
	At cost		
	Subsidiaries	8.1	56,760,833
	Minhal Incorporated - Associate	8.2	-
			<u>56,760,833</u>
	At FVOCI - quoted shares		
	Pakistan Services Limited		144,633
			<u>56,905,466</u>
8.1	Subsidiaries		
	Skyrooms (Private) Limited		40,000
	Midway House (Private) Limited		28,520
	Sabre Travel Network Pakistan (Private) Limited		2
			<u>68,522</u>
	Provision for impairment		<u>(68,522)</u>
			-
	Pakistan International Airlines Corporation Limited		52,345,121
	PIA Investments Limited (PIAIL)		4,415,712
			<u>56,760,833</u>
8.2	Associate		
	Minhal Incorporated		396
	Provision for impairment		<u>(396)</u>
			-
8.3	Transferred from PIACL	1.3	4,560,744
	Investments during the period	1.3.1	52,345,121
			<u>56,905,865</u>
9	STORES AND SPARES		
	Transferred from PIACL	1.3	154,445
	Written off during the period		<u>(6,937)</u>
	Reclassified to assets held for sale	16	<u>(147,508)</u>
			-
10	TRADE DEBTS		
	Considered doubtful		6,167,182
	Allowance for ECL		<u>(6,167,182)</u>
			-
10.1	Include the following reclassified transferred to assets held for sale:		
	Considered doubtful		643,242
	Allowance for ECL		<u>(643,242)</u>
			-

11 ADVANCES

Transferred from PIACL	1.3	23,330
Written off during the period		(1,484)
Reclassified to assets held for sale	16	(21,846)
		<u>-</u>

31 December
2024

12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Note

(Rupees in '000)

Transferred from PIACL	1.3	1,679
Written off during the period		(1,679)
		<u>-</u>

13 LOAN TO SUBSIDIARIES

Considered good	13.2	3,879,803
Considered doubtful		119,518
Provision for impairment		(119,518)
		<u>-</u>
		<u>3,879,803</u>

13.1 Transferred from PIACL	1.3	3,910,769
Exchange loss		(30,967)
		<u>3,879,802</u>

13.2 Represents loan to PIAL amounting to US\$ 13.928 million transferred from PIACL (note 1.3). This carries interest at the rate of 1 month KIBOR + 1.45% per annum and is receivable on demand.

31 December
2024

14 OTHER RECEIVABLES

Note

(Rupees in '000)

Considered good

Financial institutions	14.1	7,431,011
Accrued interest on loan to PIAL		1,755,842
Pakistan International Airlines Corporation Limited		99,207
		<u>9,286,060</u>

Considered doubtful

Provision for impairment		542,607
		(542,607)
		<u>-</u>
	14.2	<u>9,286,060</u>

14.1 Represent excess amount deducted by financial institutions in respect of principal and mark-up on borrowings during the period from 01 January 2024 to 30 April 2024. Subsequent to period end, the Company has received the amount from the respective financial institutions.

		31 December 2024 (Rupees in '000)
	Note	
14.2	Transferred from PIACL	1,555,049
	Additions during the period	7,983,426
	Written off during the period	(3,060)
	Reclassified to assets held for sale	(249,355)
		<u>9,286,060</u>

		31 December 2024 (Rupees in '000)
	Note	
15	BANK BALANCES	
	Current accounts	1,103,920
	Deposit account	1,239,999
		<u>2,343,920</u>
	Reclassified to assets held for sale	(103,920)
		<u>2,239,999</u>

15.1 This carries interest at the rate of 7% per annum.

16 ASSETS AND LIABILITIES HELD FOR SALE / DISCONTINUED OPERATIONS

Subsequent to the period end, the Board of Directors of the Company in its meeting held on 15 May 2025 has decided to carve-out the operations and related assets and liabilities of Precision Engineering Complex (PEC) to a separate legal entity to be owned by the GoP. The said carve-out as envisaged would be achieved through a scheme of arrangement under the relevant provisions of the Act, subject to requisite legal and regulatory approvals. In accordance with the requirements of IFRS-5 "Non-current Assets Held for Sale and Discontinued Operations", the Company has reclassified the assets and liabilities related to PEC from the respective line items to assets and liabilities held for sale.

16.1 The breakup of assets / liabilities held for sale are as follows:

		31 December 2024 (Rupees in '000)
	Note	
Non-current assets		
Property and equipment	6	
Cost		173,628
Accumulated depreciation		(171,628)
Net book value		<u>2,000</u>
Current assets		
Stores and spares	9	147,508
Trade debts	10	-
Advances	11	21,846
Trade deposits and short-term prepayments	12	-
Other receivables	14	249,355
Bank balances	15	103,920
		<u>522,629</u>
		<u>524,629</u>

Non-current liabilities

Deferred liabilities	19	1,826,262
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Current liabilities

Trade and other payables	20	1,177,190
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3,003,452

Net assets

(2,478,823)

16.2 During the period, income and expenses related to discontinued PEC operations are as follows:

For the period
from 21 March
2024 to 31
December 2024
(Rupees in '000)

Other income	293,358
--------------	---------

General and administrative expenses	(675,673)
-------------------------------------	-----------

Net loss from discontinued operations	(382,316)
--	------------------

16.3 During the period, cash flows related to discontinued PEC operations are as follows:

Net cash generated from operations	61,334
------------------------------------	--------

17	SHARE CAPITAL	(No. of shares)	31 December 2024 (Rupees in '000)
----	---------------	-----------------	---

Authorized capital**Ordinary share capital**

'A' class shares of Rs. 10/- each	5,349,250,000	53,492,500
'B' class shares of Rs. 5/- each	1,500,000	7,500
	<u>5,350,750,000</u>	<u>53,500,000</u>

Issued, subscribed and paid-up share capital

'A' class shares of Rs. 10/- each	5,233,762,118	52,337,620
'B' class shares of Rs. 5/- each	1,499,999	7,500
	<u>5,235,262,117</u>	<u>52,345,120</u>

17.1 As at 31 December 2024, GoP held 5,023,608,577 'A' class ordinary shares and 1,462,515 'B' class ordinary shares respectively representing 96% holding.

17.2 The voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the shareholders.

		31 December 2024 (Rupees in '000)
18	LONG-TERM FINANCING	
	Borrowings	
	Financial institutions - secured	18.1 262,066,660
	Government of Pakistan – unsecured	18.2 108,953,302
		<u>371,019,962</u>
	Sukuk certificates	
		18.3 3,496,823
		18.4 <u>374,516,785</u>

		31 December 2024 (Rupees in '000)
18.1	Financial institutions	
	Local currency	
	National Bank of Pakistan	57,864,240
	JS Bank Limited	21,906,163
	Soneri Bank Limited	1,076,722
	Askari Bank Limited	35,533,555
	Habib Bank Limited	33,643,139
	The Bank of Punjab	58,662,544
	Pak Oman Microfinance Bank Limited	783,834
	Al Baraka Bank Limited	7,220,450
	Faysal Bank Limited	22,621,564
	Bank Islami Limited	6,812,806
	Meezan Bank Limited	901,737
	Pak China Investment Company Limited	901,737
	Pak Kuwait Investment Company (Private) Limited	2,254,342
		18.1.1 <u>250,182,833</u>
	Foreign currency	
	National Bank of Pakistan	12,677,969
	Habib Bank Limited	2,338,298
		18.1.2 <u>15,016,267</u>
		<u>265,199,100</u>
	Less: Current portion	<u>(3,132,440)</u>
		<u>262,066,660</u>

18.1.1 These carry mark-up rate at the lower of 1 year KIBOR or 12% per annum and are secured by against guarantee of GoP and exclusive hypothecation charge over all locally held present and future current and fixed assets of the Company. The principal repayment will be made in bullet upon maturity in December 2033 and the markup will be paid annually commencing from 1 January 2025.

18.1.2 These carry mark-up at the rate of SOFR + 5.4% per annum and are secured against USD denominated GoP guarantee. The principal repayment will be made in 10 equal semiannual installments over a period of 5 years commencing from 1 January 2025 and the markup will be paid annually commencing from 1 January 2025.

18.2 These carry mark-up rates ranging from 10% to 17% per annum.

- 18.3** These carry mark-up rate at the lower of 1 year KIBOR or 12% per annum and are secured by continuing guarantee of GoP. The principal repayment will be made in bullet upon maturity 31 December 2033 and the markup will be paid annually commencing from 01 January 2025.

		31 December 2024 (Rupees in '000)
	Note	
18.4		
Transferred from PIACL	1.3	328,075,995
Reclassified from accrued interest	21.1	18,594,370
Reclassified from short term borrowings	22	30,722,791
Exchange loss		256,068
Current portion		(3,132,440)
		<u>374,516,784</u>

		31 December 2024 (Rupees in '000)
19	DEFERRED LIABILITIES	
	Medical benefits	14,350,864
	Pension obligations	17,594,492
		<u>31,945,356</u>

		31 December 2024		
		Pension obligations	Medical benefits	Total
		(Rupees in '000)		
19.1	Movement in liability during the period	Note		
	Transferred from PIACL	19,619,958	15,641,923	35,261,881
	Recognized in profit or loss	19.1.1	1,902,461	1,506,199
	Benefits paid	(1,143,060)	(833,261)	(1,976,321)
	Recognized in other comprehensive income	19.1.2	(1,583,657)	(1,338,946)
	Reclassified to liabilities related to assets held for sale	(1,201,210)	(625,051)	(1,826,262)
		<u>17,594,492</u>	<u>14,350,864</u>	<u>31,945,355</u>
19.1.1	Recognised in profit or loss			
	Current service cost	20,000	1,559	21,559
	Interest cost	1,882,461	1,504,640	3,387,101
		<u>1,902,461</u>	<u>1,506,199</u>	<u>3,408,660</u>
19.1.2	Recognized in other comprehensive income			
	Unrealized actuarial gain	(1,583,657)	(1,338,946)	(2,922,603)
19.2	Significant actuarial assumptions			
	Discount rate used for interest cost charged			<u>14.75%</u>
	Expected rate of increase in salaries			<u>11.25%</u>

19.3 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:

	Change in assumption	Medical benefits		Pension obligations	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----			
Salary increase	1%	-	-	18,826,392	18,766,652
Valuation discount rate	1%	13,910,363	16,202,427	17,511,532	20,265,328
Index increase	1%	16,327,372	13,786,690	20,405,021	17,375,002

20 TRADE AND OTHER PAYABLES

31 December
2024
(Rupees in '000)

Related parties

Pakistan International Airlines Corporation Limited	12,127,961
Pakistan Civil Aviation Authority	148,793,647
Pakistan State Oil Company Limited	23,762,400
National Insurance Corporation Limited	1,135,010
PIACL - Provident Fund	8,893,593

Others

194,712,610
104,809
194,817,420

31 December 2024

Note (Rupees in '000)

20.1 Transferred from PIACL	1.3	158,341,992
Reclassified from accrued interest		8,893,593
Reclassified from short term borrowings	22	17,000,000
Reclassified to liabilities related to assets held for sale		(1,177,189)
Addition during the period		11,759,024
		<u>194,817,420</u>

21 ACCRUED INTEREST / MARK-UP

Long term financing	107,023,499
Advance from PIAL	4,435,688
	<u>111,459,187</u>

21.1

21.1	Transferred from PIACL		92,935,218
	Reclassified to long term financing	18.4	(18,594,370)
	Reclassified to trade and other payables	20	(8,893,593)
	Charge for the period		46,011,933
			<u>111,459,187</u>

22 SHORT TERM BORROWINGS - secured

	Transferred from PIACL	1.3	47,722,791
	Reclassified to long term financing		(30,722,791)
	Reclassified to trade and other payables		(17,000,000)
			<u>-</u>

23 ADVANCE FROM SUBSIDIARIES - unsecured

	PIA Investments Limited	23.1	11,179,663
	Sabre Travel Network Pakistan (Private) Limited	23.2	7,634
			<u>11,187,297</u>

23.1 Represents advance from PIAL amounting to US\$ 40.135 million transferred from PIACL (note 1.3). This carries interest at the rate of 1 month LIBOR + 1.75% per annum and is repayable on demand.

23.2 Represents interest free advance transferred from PIACL (note 1.3) and is repayable on demand.

24 CONTINGENCIES

As at 31 December 2024 the excessive amounts claimed by PCAA which are not acknowledged by the Company amounted to Rs. 73,254.302 million. The said amount mainly relate to late payment surcharge and interest that has not been accepted by the Company.

			For the period from 21 March 2024 to 31 December 2024 (Rupees in '000)
25	GENERAL AND ADMINISTRATIVE EXPENSES	Note	
	Salaries and other benefits		7,453
	Retirement benefits		3,292,612
	Auditor's remuneration	25.1	8,000
	Depreciation		171,627
	Allowance for ECL		95,271
	Property and equipment written off		76,072
	Exchange loss		40,430
	Others		11,381
			<u>3,702,846</u>

		For the period from 21 March 2024 to 31 December 2024 (Rupees in '000)	
25.1	Auditor's remuneration	Note	
	Audit of annual financial statements		5,500
	Review of condensed interim financial statements		1,000
	Other certificates		500
	Out of pocket		1,000
			<u>8,000</u>
26	OTHER INCOME		
	Income from financial assets		
	Interest on:		
	Loan to PIAIL		536,064
	Bank balances		1,138
			<u>537,201</u>
	Income from non financial assets		
	Remeasurement gain on investment property		918,182
	Rental income		104,490
	Dividend income		196,901
	Others		11,302
			<u>1,230,875</u>
			<u>1,768,076</u>
27	FINANCE COSTS		
	Mark-up / interest on :		
	Long term financing		45,487,246
	Advance from PIAIL		524,687
			<u>46,011,933</u>
28	TAXATION		
	Current		53,777
	Deferred	28.1	(847,555)
			<u>(793,778)</u>
28.1	Deferred tax		
	Deductible temporary differences arising on:		
	Unused tax losses		1,200,437
	Provisions		27,629
			<u>1,228,066</u>
	Taxable temporary difference arising on:		

Deferred liabilities	(961,792)
Others	(266,273)
	(1,228,066)
	-
	For the period from 21 March 2024 to 31 December 2024 (Rupees in '000)
28.1.1 Charge for the period	
Recognised in:	
profit or loss	(847,555)
other comprehensive income	847,555
	-
28.1.2	Further, in view of its accounting policy, the Company has not recognised deferred tax asset amounting to Rs. 13,459.445 million on unused tax loss amounting to Rs 46,411.881 million as of 31 December 2024.
	For the period from 21 March 2024 to 31 December 2024 (Rupees in '000)
29 LOSS PER SHARE - basic and diluted	
Net loss for the period (Rupees in 000)	(47,535,240)
	(Numbers)
Weighted average number of ordinary shares	5,235,262,117
Loss attributable to:	
'A' class ordinary shares (Rupees)	(9)
'B' class ordinary shares (Rupees)	(5)
30 FINANCIAL RISK MANAGEMENT	
The Company's activities expose it to a variety of financial risks. 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.	
30.1 Market risk	
Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity prices.	

30.1.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in the market interest rate. The Company is mainly exposed to interest rate risk in respect of long term financing and advance from subsidiaries. Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's loss for the period by Rs. 377.649 million and a 1% decrease would result in decrease in the Company's loss for the period by the same amount.

30.1.2 Foreign currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk in respect of long term financing in foreign currencies. The following significant exchange rates were applied during the period.

	31 December 2024 Rupee per USD
Average rate	278.3
Reporting date rate	278.5

The following figures demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's loss for the period:

	Change in exchange rates	Effect on loss for the period (Rupees in '000)
2024	± 10%	3,700,816

30.1.3 Equity price risk

Equity 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 interest rate risk or foreign currency risk). As of the reporting date, the Company is not materially exposed to equity price risk.

30.2 Credit risk

Credit risk is the risk that counterparty will cause a financial loss for the Company by failing to discharge its obligations. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. As of the year end, the Company is exposed to credit risk in respect of the following:

	Note	31 December 2024 Rupees in '000
Other receivables	14	9,286,060
Bank balances	15	2,239,999
		11,526,059
Bank balances		
A1+		2,239,999

30.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through support of GoP either in the form of capital / loans or in the form of guarantee to obtain financing from lenders and by restructuring of the existing loan facilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	31 December 2024				Total
	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	
	(Rupees in '000)				
Long-term financing	-	3,132,440	12,529,759	358,854,586	374,516,785
Trade and other payables	194,817,420	-	-	-	194,817,420
Accrued interest / mark-up	111,459,187	-	-	-	111,459,187
Advance from subsidiaries	-	11,187,297	-	-	11,187,297
	306,276,607	14,319,737	12,529,759	358,854,586	691,980,689

30.4 Capital risk management

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

30.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

30.6 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position

	31 December 2024 Rupees in '000
At amortized cost	
Long term investments	56,760,833
Loan to subsidiaries	3,879,803
Other receivables	9,286,060
Cash and bank balances	2,239,999
At fair value through other comprehensive income	
Long term investments	144,633
	72,311,327

31 December
2024

Rupees in '000

Financial liabilities as per the statement of financial position

At amortized cost

Long term financing	377,649,225
Trade and other payables	194,817,420
Accrued interest	111,459,187
Advance from subsidiaries	11,187,297
	<u>695,113,129</u>

31 SEGMENT REPORTING

For management purposes, the activities of the Company are organised into one operating segment i.e. to act as the holding company of its subsidiaries and associates.

32 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associates, profit oriented state-controlled entities and key management personnel. The transactions with related parties, other than those disclosed elsewhere in these unconsolidated financial statements, are as follows:

			For the period from 01 May 2024 to 31 December 2024 (Rupees in '000)
Name of related parties	Basis of relationship	Nature of transaction	
Government of Pakistan	Major Shareholder	Finance cost	13,084,237
National Bank of Pakistan	Common ownership	Finance cost	8,443,807
Sabre Travel Network Pakistan (Private) Limited	Subsidiary	Dividend income	196,901
Minhal France S.A	Sub-subsidiary	Management fee	11,302
National Insurance Company Limited	Common ownership	Insurance premium	9,375
AVM Muhammad Amir Hayat			
Amos Nadeem	Key management personnel	Salaries and allowances	7,453
Athar Hussain			
Rao Muhammad Imran			
Syed Qamar Maqbool			

33 AUTHORISATION OF FINANCIAL STATEMENTS

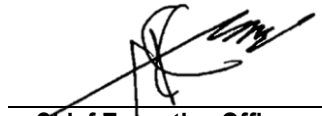
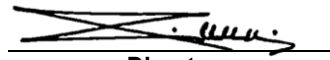
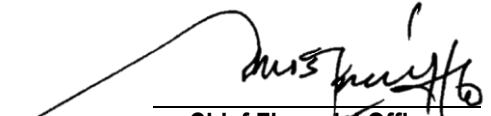
These financial statements were authorized for issue by the Board of Directors in its meeting held on **28 July 2025**.

34 NUMBER OF EMPLOYEES

The total number of employees at the year end were 235 and average number of employees during the year were 241.

35 GENERAL

Being the first accounting period of the Company, there are no comparative figures to report.


Chief Executive Officer
Director
Chief Financial Officer

CONSOLIDATED
FINANCIAL
STATEMENTS

INDEPENDENT AUDITORS' REPORT

to the Members on the Audit of the Consolidated Financial Statements

We have audited the annexed consolidated financial statements of **PIA Holding Company Limited** (the Holding Company) and its subsidiaries (together as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies 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, except for the possible effects of the matters described in the basis for qualified opinion section of our report, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

1. As disclosed in note 19 to the consolidated financial statements, assets and liabilities relating to Precision Engineering Complex (PEC) amounted to Rs. 524.629 million and Rs. 3,003.452 million respectively as of 31 December 2024. Further, during the year, the Group incurred a net loss amounting to Rs. 524.581 million in respect of PEC operations. However, for the purposes of our audit, we have not been provided with the information and documents to obtain sufficient appropriate audit evidence for the said amounts / transactions. Accordingly, we have been unable to satisfy ourselves in respect of the above PEC balances, operations and transactions.
2. As disclosed in note 12.1 to the consolidated financial statements, long term prepayment in respect of lease consideration paid to Pakistan Cricket Board amounted to Rs. 123.808 million as of 31 December 2024. However, for the purposes of our audit, we have not been provided with the information and documents to obtain sufficient appropriate audit evidence for the said amount. Accordingly, we have been unable to satisfy ourselves in respect of the above balance.

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 qualified opinion.

Emphasis of Matter

We draw attention to the following:

- i) note 1.3 to the consolidated financial statements which states that the Government of Pakistan (GoP) has confirmed to extend maximum financial support to the Holding Company to maintain its going concern status. Hence, the sustainability of the future operations of the Group is dependent on the said support. Further, the sustainability of future operations of PIAL is dependent on the mitigating factors as mentioned in the said note.
- ii) note 30 to the consolidated financial statements which states that the Group is exposed to various tax and other contingencies, the ultimate outcome of these claims cannot presently be determined and accordingly, no provision has been made in this respect in these consolidated financial statements.
- iii) note 25 to the consolidated financial statements which states that deferred tax asset has been recognized on the basis of the Pakistan International Airlines Corporation Limited'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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Long term financing As disclosed in note 23 to the consolidated financial statements, long-term financing amounts to Rs 398,459.945 million which constitutes approximately 43% of total liabilities of the Group. Given the significance of long-term financing to the Groups' total liabilities, we have identified long-term financing as a key audit matter.	Our key procedures amongst others included the following: - obtained and reviewed the financing agreements and facility letters executed during the year. - tested the calculation of finance costs recognized in the consolidated statement of profit or loss and checked in line with the financing agreements. - circularized confirmations to the financial institutions with outstanding loan balances at the end of the year. We also reviewed the maturity analysis of the financing to ascertain the classification of loans as per their remaining maturity. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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:

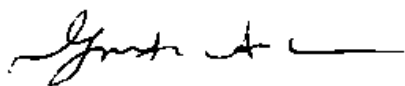
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report is Muhammad Khalid Aziz.



Grant Thornton Anjum Rahman

Chartered Accountants

Karachi

Date: August 01, 2025

UDIN: AR202410154KCUBHm8

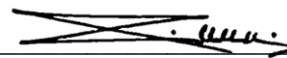
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

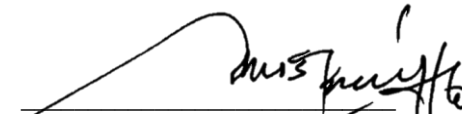
At December 31, 2024

		December 31, 2024	December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	309,304,918	322,793,542
Investment property	8	3,271,453	2,928,551
Intangibles	9	9,686,687	9,890,494
Long-term investments	10	144,634	351,535
Receivable in respect of Centre Hotel	11	2,104,225	2,129,235
Long-term deposits and prepayments	12	6,807,309	6,119,168
		331,319,229	344,212,525
CURRENT ASSETS			
Stores and spares	13	4,304,040	4,147,589
Trade debts	14	13,005,316	16,243,647
Advances	15	7,198,823	6,831,708
Trade deposits and short-term prepayments	16	10,453,625	14,832,538
Other receivables	17	13,104,938	6,662,797
Cash and bank balances	18	16,351,527	9,272,437
		64,418,272	57,990,716
Assets held for sale	19	524,629	
TOTAL ASSETS		396,262,131	402,203,242

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

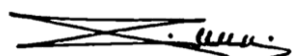
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2024

	Note	December 31, 2024 ----- (Rupees in '000) -----	December 31, 2023 -----
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		54,000,000	54,000,000
Issued, subscribed and paid-up share capital	20	52,345,120	52,345,110
Reserves	21	763,604,338)	750,649,269)
Surplus on revaluation of property, plant and equipment - net	22	141,976,251	139,292,258
Attributable to the Holding Company's shareholders		(569,282,967)	(559,011,901)
Non-controlling interest		5,999,176	5,910,766
		(563,283,791)	(553,101,135)
NON-CURRENT LIABILITIES			
Long-term financing	23	398,459,945	320,281,759
Lease liabilities	24	14,426,525	21,030,701
Long-term advances and deposits		118,186	119,478
Deferred taxation	25	6,325,295	41,294,096
Deferred liabilities	26	59,922,259	61,364,537
		479,252,208	444,090,571
CURRENT LIABILITIES			
Trade and other payables	27	332,685,244	301,943,705
Unclaimed dividend		65,634	3,297
Accrued interest	28	107,911,798	86,338,638
Taxation - net		5,859,174	4,108,052
Short-term borrowings	29	-	47,722,791
Current maturities of non current liabilities		30,768,414	71,097,323
		477,290,262	511,213,806
Liabilities related to assets held for sale	19	3,003,452	-
TOTAL EQUITY AND LIABILITIES		396,262,131	402,203,242
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

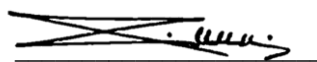
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period from March 21, 2024 to December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 (Restated) -----
Revenue - net	31	239,652,337	259,585,680
Cost of services	32		
Aircraft fuel		(75,586,032)	(98,061,940)
Others		(112,330,728)	(125,319,200)
		(187,916,760)	(223,381,140)
Gross profit		51,735,576	36,204,540
Distribution costs	33	(9,496,499)	(9,798,986)
Administrative expenses	34	(25,750,963)	(18,848,995)
Other provisions and adjustments - net	35	(320,669)	(3,800,112)
Other income - net	36	2,980,700	35,333,908
		(32,587,431)	2,885,815
Profit from continued operations		19,148,145	39,090,355
Loss from discontinued operations	19.2	(524,581)	-
Exchange loss - net		(2,389,091)	(25,914,656)
Profit before interest, levy and income tax		16,234,474	13,175,699
Finance costs	37	(60,227,780)	(90,992,231)
Share of loss in an associate		-	(1,004)
Loss before levy and income tax		(43,993,306)	(77,817,536)
levy - minimum tax		(1,540,047)	(1,775,033)
Loss before income tax		(45,533,353)	(79,592,569)
Taxation	38	30,183,623	(7,670,888)
Loss for the year		(15,349,730)	(87,263,457)
Attributable to:			
Equity holders of the Holding Company		(15,548,028)	(87,395,148)
Non-controlling interest		198,298	131,691
		(15,349,730)	(87,263,457)
Loss per share - basic and diluted			
Loss attributable to:			
A' class Ordinary shares of Rs.10/- each	39	(2.93)	(16.67)
B' class Ordinary shares of Rs. 5/- each	39	(1.47)	(8.33)

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

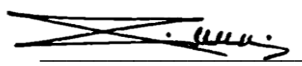
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

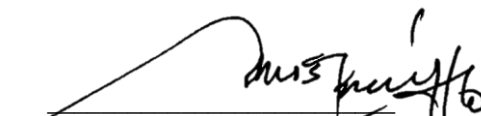
For the period from March 21, 2024 to December 31, 2024

	2024 ----- (Rupees in '000) -----	2023 -----
Loss for the year	(15,349,730)	(87,263,457)
Other comprehensive income		
<i>Items that will be reclassified subsequently to consolidated statement of profit or loss</i>		
Exchange differences on translation of foreign operations	(1,245,131)	5,412,747
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>		
Unrealised gain on re-measurement of investments at FVOCI - net of tax	(30,549)	197,195
Revaluation reserve realized - net of tax	(524,020)	(21,689,172)
Surplus on revaluation of property, plant and equipment - net of tax	4,021,343	48,176,935
Remeasurement of post retirement defined benefits obligation - net of tax	3,055,306	(6,081,213)
	6,522,081	20,603,745
Total other comprehensive income for the year	5,276,950	26,016,492
Total comprehensive loss for the year	(10,072,780)	(61,246,965)
Attributable to:		
Equity holders of the Holding Company	(9,965,023)	(85,515,568)
Non-controlling interest	(107,757)	1,462,086
	(10,072,780)	(61,246,965)

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from March 21, 2024 to December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	38,379,095	72,046,211
Profit on bank deposits received		90,974	155,801
Finance costs paid		(8,265,167)	(44,524,768)
Taxes paid		(77,770)	(234,668)
Staff retirement benefits paid		(3,962,493)	(3,693,173)
Long-term deposits and prepayments - net		(880,035)	(1,290,015)
Net cash generated from operating activities		25,284,603	22,459,388
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,736,094)	(4,299,969)
Investments made		(886,598)	(4,212,467)
Purchase of intangibles		-	(41,191)
Proceeds from sale of property, plant and equipment		50,546	240
Net cash used in investing activities		(2,572,146)	(8,553,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long-term financing		(11,671,328)	(53,214,649)
Dividend paid		(8,526)	(260,602)
Proceeds from long-term financing		-	28,306,845
Proceeds from short term borrowings		7,005,435	17,000,000
Payments in respect of lease liabilities		(8,738,538)	(9,777,471)
Net cash used in financing activities		(13,412,957)	(17,945,877)
Increase / (decrease) in cash and cash equivalents		9,299,500	(4,039,876)
Cash and cash equivalents at beginning of the year		8,409,646	12,881,171
Effects of exchange rate changes on cash and cash equivalents		(1,357,619)	(431,649)
Cash and cash equivalents at end of the year		16,351,527	8,409,646
Cash and cash equivalents			
Cash and bank balances	18	16,351,527	9,272,437
Running finance under mark-up arrangements		-	(862,791)
		16,351,527	8,409,646

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from March 21, 2024 to December 31, 2024

	Attributable to the Holding Company's shareholders												Total	
	Capital Reserves					Revenue Reserves		Other component of equity						
	Share capital	Reserve for replacement of fixed assets	Capital redemption reserve fund	General capital reserve	Legal reserve	Hedging Reserve	General reserves	Accumulated losses	Unrealised gain / (loss) on remeasur-ment of investment at	Foreign currency translation reserves	Actuarial gain / (loss) on defined benefit obligations	Non - controlling interest		Surplus on Revaluation of Property plant and equipment
(Rupees in '000)														
	52,345,110	1,966,779	250,000	284,259	77,142	144,895	1,779,674	(652,132,556)	278,431	12,180,364	(5,736,521)	4,813,904	93,752,856	(489,995,663)
Total comprehensive income for the year ended December 31, 2023:														
Loss for the year	-	-	-	-	-	-	-	(87,395,148)	-	-	-	131,691	-	(87,263,457)
Other comprehensive income / (loss)	-	-	-	-	18,885	(85,514)	-	(21,715,754)	(81,236)	4,237,987	(6,081,213)	1,330,395	47,206,199	24,888,435
Total comprehensive income / (loss) for the year	-	-	-	-	18,885	(85,514)	-	(109,110,902)	(81,236)	4,237,987	(6,081,213)	1,462,086	47,206,196	(62,375,022)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-	1,301,570	-	-	-	(365,224)	(1,301,570)	(730,447)
Dividend paid to non - controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at January 01, 2024	52,345,110	1,966,779	250,000	284,259	96,027	59,381	1,779,674	(759,941,888)	197,195	16,418,351	(11,817,734)	5,910,766	139,292,258	(553,101,132)
Total comprehensive income for the year ended December 31, 2024:														
Loss for the year	-	-	-	-	-	-	-	(15,548,028)	-	-	-	198,298	-	(15,349,730)
Other comprehensive income / (loss)	-	-	-	-	-	-	-	(524,020)	(30,549)	(1,245,131)	3,055,306	(107,757)	4,021,343	5,169,193
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	(16,072,048)	(30,549)	(1,245,131)	3,055,306	90,541	4,021,343	(10,180,537)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-	1,396,040	-	-	-	-	(1,396,040)	-
New Equity Issued	10	-	-	-	-	-	-	-	-	-	-	-	-	10
Dividend paid to non - controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2,131)	-	(2,131)
Balance as at December 31, 2024	52,345,120	1,966,779	250,000	284,259	96,027	59,381	1,779,674	(774,617,896)	166,646	15,173,220	(8,762,428)	5,999,176	141,917,561	(563,283,791)

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from March 21, 2024 to December 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

The 'Group' consists of PIA Holding Company Limited (PIAHCL), i.e. the Holding Company, its subsidiaries and associates.

1.1 PIA Holding Company (the Holding Company)

The Holding Company was incorporated in Pakistan under the Companies Act, 2017 (the Act) as a public limited company on 21 March 2024 and listed on Pakistan Stock Exchange on 27 May 2024. The registered office of the Company is situated at PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad. The principal activity of the Company is to act as the holding company of its subsidiaries and associates.

1.2 Subsidiaries and associates

1.2.1 Pakistan International Airlines Corporation Limited (PIACL)

PIACL was incorporated on 10 January 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 19 April 2016, PIACL 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 head office of the PIACL is situated at PIA Building, Jinnah International Airport, Karachi. PIACL is the subsidiary company of the Holding Company and its main source of earnings are from providing commercial air transportation, engineering and allied services. The Holding Company held 100% shares of PIACL as at 31 December 2024.

1.2.2 PIA Investments Limited (PIAIL)

PIAIL was incorporated on 10 September 1977 in Sharjah, United Arab Emirates as a limited liability Company under a decree issued by H. H., The Ruler of Sharjah. During 1986, PIAIL was registered in British Virgin Islands under International Business Companies Ordinance, 1984 (now BVI Business Companies (Amendment) Act, 2012) as a Company limited by shares. The principal activity of PIAIL is to carry on business as promoters of and investors in projects related to construction, development and operation of hotels, motels and restaurants throughout the world. The Holding Company's controlling interest in PIAIL is 100% as at 31 December 2024.

Following are the details of PIAIL's subsidiaries:

Subsidiaries	Place of incorporation	Effective ownership and voting power of PIAIL (%)	Note
Roosevelt Hotel Corporation N.V.		Netherlands - Antilles	100 a
RHC Operating LLC		State of Delaware, USA	100 a
Avant Hotels (Private) Limited		Pakistan	62.50 b
Minhal France S.A		France	90 c
Minhal France S.a r.l.		Luxembourg	100 d
Minhal France B.V.		Netherlands	100 d
PIA Hotels Limited		British Virgin Islands	100 e
PIA Aviation Limited (PAL)		British Virgin Islands	100 e

- a) Roosevelt Hotel Corporation N.V. is the intermediary holding company and a sole member of RHC Operating LLC (RHC), whereas, RHC is the owner of Roosevelt Hotel, New York (the Hotel).
- b) Avant Hotels (Private) Limited (Avant) is a joint venture between PIAIL and Pakistan Cricket Board (PCB) being subscribers to 62.5% and 37.5% respectively of Avant's shares. However, Avant is at its planning phase and has not started its commercial activities.
- c) Minhal France SA (MFSA) is a subsidiary of Minhal France BV, whose registered office is in Rotterdam, Netherlands. MFSA's activities are principally in the hotel and restaurant sector. MFSA also earns rental income from leasing shop space. The management of the hotel is undertaken by ACCOR with the assistance of Holding Company.
- d) These companies are intermediary holding companies
- e) These are dormant companies.

1.2.3 Skyroom (Private) Limited (SRL)

SRL was incorporated on 20 May 1975 in Pakistan as a private limited Company under the Companies Act, 1913 (now Companies Act, 2017). The principal activity of SRL is to manage Airport Hotel, Karachi. The Holding Company's controlling interest in SRL is 100% as at 31 December 2024.

1.2.4 Sabre Travel Network Pakistan (Private) Limited (Sabre)

Sabre was incorporated in Pakistan on 12 October 2004 as a private Company limited by shares, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of Sabre is to market and distributes a computer reservation system to subscribers in Pakistan under a sub-distribution agreement with Sabre Asia Pacific (Pte.) Ltd. The Holding Company controlling interest in Sabre is 70% as at 31 December 2024.

1.2.5 Associate

Minhal Incorporated (Minhal), Sharjah was incorporated on 1 January 1977 in Sharjah, United Arab Emirates as a limited liability Holding Company and is currently registered in British Virgin Islands. The principal activities of Minhal are to carry on business as promoters and the managers of projects related to construction, development and operation of hotels, restaurants and clubs throughout the world. The Holding Company interest in Minhal is 40%. The company as of 31 December 2024 is dormant and provision of impairment has been charged on the investment of the associate.

1.3 Going Concern Assumption

During the year, the Holding Company incurred a net loss of Rs. 47,535.239 as of December 31, 2024, and negative equity of Rs. 646,643.409 million. Further, as of that date, the current liabilities of the Holding Company exceeded its current assets by Rs. 305,214.724 million. However, the management has made an assessment of the Holding Company's ability to continue as a going concern and believes that the sustainability of the future operations of the Holding Company are dependent on the support of the Government of Pakistan (GoP) therefore, no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, Holding Company's financial statements are prepared on a going concern basis.

Further, during the year ended 31 December 2023, RHC entered into an agreement with New York City Health and Hospital Corporation (NYCHHC) to operate the Hotel as a temporary migrant housing facility. The said agreement was scheduled to expire on 31 May 2026 with RHC making available to NYCHHC its rooms at an agreed price. However, on 24 February 2025, RHC received a notice from NYCHHC for the termination of the agreement effective 30 June 2025. In view of the above, material uncertainty exists that may cast significant doubt on the RHC's ability to continue as a going concern. However, the management of PIAIL believes that considering the below mitigating factors, the going concern assumption is appropriate and has prepared its financial statements on going concern basis;

- RHC has entered into negotiations with a Hotel Management Company for renting out the rooms of the Hotel for a period of three years starting from September 2025. A draft proposal in this respect has also been submitted to the GoP with the future financial projections showing profitable operations and results of the Hotel
- RHC expects continued financial support from PIAIL including the amount of Rs. 3,066.999 million received in respect of Centre Hotel
- The management of PIAIL has also approached the GoP for the necessary financial support for the foreseeable future and expects a favourable outcome in this respect.

1.4 Restructuring of the Group

In accordance with the Scheme of Arrangement (SoA), PIACL completed a business restructuring exercise after obtaining approval from the Privatization Commission (PC), along with legal and regulatory approvals. The effective date of the SOA was 30 April 2024 and with effect from the said date the entire shareholding of PIACL was transferred to the Holding Company and PIACL became the wholly owned subsidiary of the Holding Company. As a result of the restructuring of PIACL's business, certain assets and liabilities were transferred to the Holding Company. The details of assets and liabilities transferred to the Holding Company and its consequential effect on the reserves of the Holding Company as of 30 April 2024 are as follows:

ASSETS

(Rupees in '000)

Property and equipment	7,606,304
Investment property	2,332,026
Long-term investments	4,560,744
Stores and spares	154,445
Trade debts	-
Advances	23,330
Trade deposits and short-term prepayments	1,679
Loan to subsidiaries	3,910,769
Other receivables	1,555,049
Bank balances	41,470
	<u>20,185,815</u>

LIABILITIES

Long-term financing	(328,075,995)
Deferred liabilities	(35,261,881)
Trade and other payables	(158,373,069)
Accrued interest	(92,935,218)
Short-term borrowings	(47,722,791)
Advance from subsidiaries	(11,345,199)
	<u>(673,714,153)</u>
NET ASSETS (transferred to reserves under the Scheme)	<u>(653,528,338)</u>

2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries and its associate as at and for the year ended 31 December 2024.

2.1 Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally the Holding Company a shareholding of more than one half of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which the control is transferred to the Group. They are derecognised from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition is the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in case of a bargain purchase, the difference is recognised in consolidated statement of profit or loss.

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements. All material intra-group transactions and balances are eliminated in full.

The financial statements of the subsidiaries are not prepared for the same reporting year as the Holding Company. The accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Holding Company, where necessary.

Non - controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from Holding Company shareholders' equity. Transactions with non - controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

2.2 Associates

Associated companies are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights of another entity.

The associate of the Group is accounted for using the equity method (equity accounted investees) and is recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment loss. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align with the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further loss is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The carrying amount of investment in associate is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investment is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to the consolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent

of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the consolidated statement of profit or loss.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These consolidated 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 Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Provisions of and directives issued under the Act and the requirements of the State-Owned Enterprises (Governance and Operations) Act, 2023.

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

3.2 Basis of measurement

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

3.3 Functional and Presentation Currency

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

4 NEW ACCOUNTING STANDARDS

4.1 Standards / amendments that are effective in current year

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

4.2 Accounting standards not yet effective

There are certain standards and amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated 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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

5.1 Property, plant and equipment

The Group 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 Group 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.

5.2 Investment property

The Group 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.

5.3 Intangible asset

Intangible assets with finite lives are amortized on straight line basis over their estimated useful lives as specified in note 9 to these consolidated financial statements.

5.4 Stores and spares

The Group 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.

5.5 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.

5.6 Employee benefits

The liabilities relating to defined benefit plans 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 certain uncertainties.

5.7 Taxation

In making estimate for income tax payable by the Group, the Group 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.

5.8 Frequent flyer programme

PIACL operates a frequent flyer programme that provides travel awards to members of the programme based on cumulative mileage. PIACL accounts for award credits as separately identifiable component of the sales transaction in the period in which they are granted. The consideration received as sale proceed is allocated to award credits based on their fair value and is accounted for as a liability in these consolidated financial statements.

Fair value of awarded credits is estimated with reference to fair value of services against which the award credits may be redeemed. Determination of fair value of award credit involves estimations, based on the average of air fares, the value of each award credit assuming a 100% redemption rate, and estimating the expected award credit redemption rate. These estimates are reviewed as and when a significant change in underlying assumptions is observed and the liability is adjusted annually as appropriate. The provision for frequent flyer programme is determined based on the valuation carried out by an independent professional valuer.

5.9 Provision for cost of redelivery of aircraft and engines

PIACL 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 consolidated financial statements. Significant assumptions and estimates are used to determine the amount of the maintenance cost that will be incurred by the Holding Company at the time of redelivery of the asset under these arrangements.

6 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below are consistently applied for all periods presented in these consolidated financial statements, unless otherwise stated.

6.1 Property, plant and equipment

Operating fixed assets - owned

Land classified as 'others' are stated at cost, whereas buildings classified as 'others' are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Leasehold land and buildings thereon and hotel properties 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 Group 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 major overhauls to aircraft are capitalised and depreciated over the period to the next major overhaul. All other repairs and maintenance including cost incurred under 'power-by-the-hour'

contracts in relation to aircraft are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to the consolidated statement of profit or loss, applying the straight-line method 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 assets' residual values, 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 consolidated 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 consolidated statement of profit or loss and to retained earnings, respectively.

Right of use assets

The Group mainly leases aircraft, engines, local and international sales offices, and counters at various airports. At inception of a contract, the Group 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 Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group 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 Group 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 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group 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 in-substance fixed payments;
- variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.
- less any lease incentives receivable

The extension and termination options are included in Group's determination of lease term only when the Group 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 Group estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of right-to-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 consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Capital spares

Rotable and repairable stores are stated at cost and treated as property, plant and equipment and are depreciated based on the average remaining useful life of the related aircraft. Capital spares which are not useable are treated as scrap and charged to the consolidated statement of profit or loss.

Capital work-in-progress

These are stated at cost less impairment, 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.

6.2 Surplus on revaluation of property, plant and equipment

Surplus on revaluation of land and buildings is recognised in consolidated 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 consolidated 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 consolidated statement of profit

or loss. However, the decrease is recognised in the consolidated 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 consolidated statement of comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in the consolidated statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated statement of profit or loss. The revaluation reserve is not available for distribution to Company's shareholders.

6.3 Investment property

Property held for long-term rental yields which are significantly rented out by the Group 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 charged to consolidated statement of profit or loss.

6.4 Intangibles

Goodwill

Goodwill represents the difference between the consideration paid for acquiring interests in a Group and the value of the Group's share of its net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The impairment loss, if any, resulting from such review is charged to the consolidated statement of profit or loss. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to the operating segment.

Other intangible assets

Other intangible assets are measured on initial recognition at cost. Costs that are directly associated with identifiable software products / licenses controlled by the Group 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 consolidated statement of profit or loss when the asset is derecognised.

6.5 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
including food and beverages

weighted moving average cost
basis

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

6.6 Trade debts and other receivables

Trade debts and other receivables 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. Provision for impairment against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Impairment of trade debts and other receivables is described in 5.5.

6.7 Cash and cash equivalents

These are stated at cost.

6.8 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.

6.9 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.

6.10 Employee benefits

Pension funds

- In accordance with the SoA, pension of the employees of PIACL who were retired on or before 30 September 2023 have been transferred to the Holding Company. These are accounted for on the basis of actuarial valuation carried out annually. The latest actuarial valuation were carried out as of 31 December 2024 using the projected unit credit method. Interest and current service cost are recognised in consolidated statement of profit or loss and any actuarial gains / (losses) are recognised in consolidated statement of comprehensive income.
- PIACL operates a defined benefit pension scheme for all the permanent employees. 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. Contributions are made to the scheme at the advice of actuary. For all the permanent employees hired on or after 1 July 2008 in lieu of the pension funds as described above, the PIACL operates a defined contribution pension fund whereby a contribution of 5% of the pensionable benefits is made to the Fund in accordance with the relevant rules. Actuarial valuation is carried out annually. Net interest expense, current service cost and any past service cost are recognised in consolidated statement of profit or loss whereas any actuarial gains / losses are recognised immediately in consolidated statement of comprehensive income.

- MFSA's employees are entitled to an indemnity under the law on retirement and in accordance with hotel industry labor agreements. Provision is made for the liability at the reporting date in accordance with the agreements.
- RHC participates in a Union-sponsored multiemployer defined benefit pension plan under a collective bargaining agreement with the New York Hotel Trades Council and the Hotel Association of New York City, Inc. Contributions to the plan are determined in accordance with the terms of the agreement. The plan is subject to the risks of multiemployer plans, including potential withdrawal liability and shared funding of benefits across participating employers.

Medical obligations

- In accordance with the SoA, medical obligations of the employees of PIACL who were retired on or before 30 September 2023 have been transferred to the Holding Company. These are accounted for on the basis of actuarial valuation carried out annually. The latest actuarial valuation were carried out as of 31 December 2024 using the projected unit credit method. Interest and current service cost are recognised in consolidated statement of profit or loss and any actuarial gains / (losses) are recognised in consolidated statement of comprehensive income.
- PIACL operates an unfunded defined benefit medical scheme and provides medical allowances and free hospitalisation 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 and current service cost and past service cost are recognised in consolidated statement of profit or loss and any actuarial gains / (losses) are recognised immediately in consolidated statement of comprehensive income.

Provident fund

- PIACL operates a defined contribution provident fund scheme for all its permanent employees. Equal monthly contributions are required to be made to the fund by PIACL and the employees in accordance with the fund's rules. PIACL required contribution to the fund is charged to the consolidated statement of profit or loss.
- SRL also operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by SRL and employees, in accordance with Fund's rules.
- PIAIL also operates a provident fund scheme as a contribution plan for its permanent employees. Equal contributions are made, both by PIAIL and the employees to the provident fund at the rate of 10% of basic salary.
- Sabre operates an approved contributory provident fund for its employees. Equal monthly contributions are made, both by Abacus and the employees, to the provident fund at the rate of 10% of basic salary. Sabre's contribution is charged to consolidated statement of profit or loss.

Gratuity fund scheme

- SRL operates an unfunded defined benefit gratuity scheme for all its permanent employees who have completed the prescribed qualifying period of service. Provision for gratuity is made in accordance with actuarial valuation to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period.
- PIAIL operates a funded gratuity scheme for its permanent employees who have completed one year of service. An accrual is made for maximum benefit that is payable

to employees based on their number of years of service as at reporting date, as the management of PIAIL believes that the liability amount is not material in the overall context of PIAIL's consolidated financial statements.

Compensated absences

- PIACL 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.
- RHC accounts for all accumulated compensated absences when the employees render services

6.11 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 Group 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 Group 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 consolidated statement of financial position, consolidated statement of comprehensive income and the consolidated statement of changes in equity.

	For the year ended 31 December 2023		
	As previously reported	Reclassification	As restated
	(Rupees in '000)		
Effect on profit or loss			
Minimum tax classified as levy	-	1,775,033	1,775,033
Loss before income tax	(77,817,536)	(79,592,569)	(1,775,033)
Loss after income tax	(87,263,457)	(87,263,457)	-

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 longer 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.

6.12 Revenue recognition

The Group principally earns revenue from the carriage of passengers, cargo, room and shop, mail and excess baggage and provision of handling services to other airlines, engineering services, air charters and related activities.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

- (a) 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 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) Revenue from room and shop, food, beverages and other related services is recognised as and when services are rendered. Income from shop rentals is recognised on a straight line basis over the lease term.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) Others include revenue generated from other miscellaneous services provided by the Group. Revenue is recognized at the point when such services are rendered.

6.13 Frequent flyer programme revenue

PIACL operates loyalty programmes. The airline's 'frequent flyer programme' allows frequent travelers 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 miles by the participants to whom the miles are issued, when the miles expire or when they are not expected to be redeemed.

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

Interest / mark-up and dividend income

The Group recognises interest income / mark-up on short-term bank deposits, interest bearing advances and held to maturity investments on a time proportion basis using effective interest method.

Dividend income is recognised when the Group's right to receive dividend is established.

6.14 Borrowing Costs

The Group 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.

6.15 Provisions

Provisions are recognised in the consolidated statement of financial position when the Group 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.

6.16 Impairment

Financial assets

The Group recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECL's based on the difference between the contractual cash flows due to in accordance with the contract and all the cash flows that the group expects to receive, discounted return approximation of the original defective interest rate. 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.

The Group uses default rates based on the credit rating of the credit customers' probability wetted cash flows projection for customers where credit rating is not available and provision metrics for large portfolio customers which have been similar characteristics, to calculate expected credit losses (ECL) for trade receivable and other receivable.

The default rates are benchmarked and adjusted for forward looking information and the rates in provision metrics are based on days past due for various customer segments that have been similar loss patterns. The provision matrix is initially based on the group's historical observed default rates which is then adjusted for forward looking information.

Loss allowances for trade debts, trade deposits and other receivables (including leave receivables) and contract assets are always measured applying simplified approach at an amount equal to lifetime ECL's.

The Group recognizes a debt instrument to have a low credit risk when its credit risk rating is equivalent to an 'investment grade' in an organized financial market. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Non-Financial assets

The carrying amounts of non financial assets are assessed at each reporting date to a certain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognized, as an expense in the consolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sell and value in use. Value in use is a certain 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

specified 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).

An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not achieve the carrying amount that would have been determined, net of the application or amortization, if no impairment loss had been recognized.

6.17 Foreign currency transactions

Foreign currency translations are recorded at the exchange rate 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 consolidated statement of profit or loss currently.

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.

Foreign operations

Assets including Goodwill and liabilities of foreign entities are translated into Pakistan Rupees at reporting date exchange rates. Income and expense items are translated at exchange rates approximating the rates of exchange at the dates of the transactions. Items of equity are carried at their historical values. Differences in exchange rates are recognized as foreign currency translation reserve and are included in other comprehensive income.

6.18 Financial Instruments

Financial assets and financial liabilities are when the Group becomes a part to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value and subsequently at fair value or amortized cost as the case may be. Financial assets are de-recognised at the time when the Group loses control of the contractual rights that comprise the financial assets. Financial liability are de-recognised at the time when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the consolidated statement of profit or loss immediately.

Recognition and initial measurement

Financial assets and financial liability are initially recognized when the group becomes a party to the contractual provisions of the instrument except, trade receivables and debt instruments issued are initially recognized when they are originated.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability, is initially measured at fair value plus or minus respectively of foreign item not at fvtp that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets - classification and measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt instrument; FVOCI - equity instrument, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the both of the folowing 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.

A debt instrument is measured at FVOCI if it meets both of the following condition and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- it's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group measures all equity investments at fair value through profit or loss, except where the groups management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity instrument as FVOCI when those investments are held for purposes other than for trading.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. On initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties and transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the consolidated statement of profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

6.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position only when there is a legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

6.20 Earnings per share

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

6.21 Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognised at estimated fair value with corresponding effect to the consolidated statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

6.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is CEO, who is responsible for allocating resources and assessing performance of the operating segments. The Holding Company prepares financial statement on the

basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker of the Holding Company.

6.23 Dividend and reserves

Derivatives that do not qualify for hedge accounting recognised at estimated fair value with corresponding effect to consolidated statement of profit or loss. Derivatives financial instruments are carried as assets when fair value is positive and as liability when fair value is negative.

6.24 Assets Held For Sale

These are classified as held for sale if their carrying amounts will be recovered principally through sale / disposal rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

6.25 Discontinued Operations

A discontinued operation is a component of the Company's business that has been discontinued or disposed off or is held-for-sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

		December 31, 2024	December 31, 2023
7	PROPERTY, PLANT AND EQUIPMENT	----- (Rupees in '000) -----	
	Operating fixed assets:		
	- owned	289,738,364	297,412,397
	- right of use asset	19,175,434	24,802,244
		<u>308,913,798</u>	<u>322,214,641</u>
	Capital work-in-progress	391,122	578,903
		<u>309,304,918</u>	<u>322,793,542</u>

7.1 Operating fixed assets - owned

December 31, 2024																		
	Land			Buildings on		Hotel Property (note 7.1.3)	Workshops and hangars	Aircraft fleet (note 7.1.4)	Equipment	Engineering equipment and tools	Vehicle	Furniture, fixtures and fittings	Computer and office automation	Heat ventilation and air conditioning	Kitchen and bar equipment	Television /dish / stand	Capital spares	Total
	Leashold (note 7.1.2)	Others (note 7.1.1)	Leasehold land (note 7.1.2)	Other land														
As At January 1, 2024																		
Cost or revalued amount	15,753,026	29,896	13,854,208	2,326,543	249,189,083	1,241,589	127,130,179	5,691,414	2,103,987	3,145,250	20,618,439	2,289,033	22,185	7,417	18	8,363,257	451,765,524	
Accumulated depreciation	-	-	(10,456,042)	(1,683,169)	(33,018,099)	(963,166)	(79,152,423)	(3,553,439)	(1,953,854)	(2,981,156)	(13,433,344)	(2,131,965)	(17,711)	(5,921)	(13)	(5,002,824)	(154,353,126)	
Net book value	15,753,026	29,896	3,398,166	643,374	216,170,984	278,423	47,977,756	2,137,975	150,133	164,094	7,185,095	157,068	4,474	1,496	5	3,360,433	297,412,398	
Net carrying value basis																		
Year ended December 31, 2024																		
Opening net book value	15,753,026	29,896	3,398,166	643,374	216,170,984	278,423	47,977,756	2,137,975	150,133	164,094	7,185,095	157,068	4,474	1,496	5	3,360,433	297,412,398	
Addition	-	-	14,085	118	135,447	-	782,873	39,211	17,770	301,374	185,282	41,581	-	-	-	783,417	2,301,158	
Transfer from CWIP	-	-	-	-	-	-	-	9,790	8,063	-	-	3,885	-	-	-	-	21,738	
Transfers during the year	-	-	14,085	118	135,447	-	782,873	49,001	25,833	301,374	185,282	45,466	-	-	-	783,417	2,322,896	
Translation adjustments																		
Cost or revalued amount	20,318	(20,318)	2,289,600	(2,289,600)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	20,318	(20,318)	(1,672,842)	1,672,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation adjustments	-	-	-	-	(3,972,920)	-	-	-	-	-	(469,055)	-	-	-	-	-	(4,441,975)	
Cost or revalued amount	-	-	-	-	(9,555,456)	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	13,376,898	-	345,482	-	-	-	-	-	-	-	-	-	-	-	-	-	4,166,925	
Revaluation	13,376,898	-	345,482	-	(9,555,456)	-	-	-	-	-	-	-	-	-	-	-	4,166,925	
Disposals																		
Cost or revalued amount	-	-	-	1,573	-	-	-	129	-	-	8,960	(66,683)	-	-	-	-	(99,649)	
Accumulated depreciation	-	-	-	(1,573)	-	-	-	(129)	-	(8,960)	(1,110)	66,560	-	-	-	-	54,788	
Disposals	-	-	-	-	-	-	-	-	-	-	(44,738)	(123)	-	-	-	-	(44,861)	
Written off during the year																		
Depreciation charge for the year	-	(1,653)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,653)	
Depreciation charge for the year	-	-	(231,872)	(26,734)	(2,729,550)	(145,344)	(4,201,909)	(269,900)	(52,826)	(83,599)	(1,552,387)	(53,266)	-	-	(812)	(325,167)	(9,673,366)	
Reclassified as Asset																		
Held for Sale																		
Cost	-	(2,000)	-	(26,852)	-	(121,192)	-	(4,958)	(3,927)	(144)	(14,431)	(124)	-	-	-	-	(173,628)	
Accumulated Depreciation	-	-	-	26,852	-	121,192	-	4,958	3,927	144	14,431	124	-	-	-	-	171,628	
Closing net book value	29,150,242	5,925	4,142,620	-	200,048,505	133,079	44,558,720	1,917,077	123,140	381,869	5,304,196	149,145	4,474	1,496	(807)	3,818,683	289,738,364	
Gross carrying value basis As at December 31, 2024																		
Cost or revalued amount	29,150,242	5,925	16,503,376	11,782	235,796,154	1,120,397	127,913,052	5,735,586	2,125,893	3,455,440	20,276,606	2,287,692	22,185	7,417	18	9,146,674	453,538,440	
Accumulated depreciation	-	-	(12,360,756)	(11,782)	(35,747,649)	(987,318)	(83,354,332)	(3,818,510)	(2,002,753)	(3,073,571)	(14,972,410)	(2,118,547)	(17,711)	(5,921)	(825)	(5,327,991)	(163,800,076)	

December 31, 2023																
Land		Buildings on:		Hotel property	Workshops and hangars	Aircraft fleet	Equipment	Engineering equipment and tools	Vehicle	Furniture, fixtures and fittings	Computer and office automation	Heat ventilation and air conditioning	Kitchen and bar equipment	Television / dish stand	Capital spares	Total
Leasehold	Others	Leasehold land	Other land													
Gross carrying value basis year ended December 31, 2022																
8,588,452	29,896	10,518,051	2,196,999	95,205,583	1,241,589	124,670,943	5,674,828	2,081,129	3,138,550	16,660,223	2,429,185	22,185	7,417	18	8,088,133	280,553,181
-	-	(8,347,362)	(1,574,028)	(30,810,017)	(912,119)	(73,454,675)	(3,333,997)	(1,903,045)	(2,936,945)	(12,050,117)	(2,256,805)	(17,711)	(5,921)	(13)	(4,802,571)	(142,405,326)
8,588,452	29,896	2,170,689	622,971	64,395,566	329,470	51,216,268	2,340,831	178,084	201,605	4,610,106	172,380	4,474	1,496	5	3,285,562	138,147,855
Net carrying value basis year ended December 31, 2023																
8,588,452	29,896	2,170,689	622,971	64,395,566	329,470	51,216,268	2,340,831	178,084	201,605	4,610,106	172,380	4,474	1,496	5	3,285,562	138,147,855
12,892	-	4,023	33,025	329,368	-	2,459,236	36,633	22,152	6,700	2,643,401	56,524	-	-	-	275,124	5,879,078
-	-	-	-	128,382,799	-	-	-	-	-	775,348	-	-	-	-	-	129,158,147
-	-	-	-	(31,671,065)	-	-	-	3,752	-	17,825	13,067	-	-	-	-	(31,671,065)
-	-	-	98,643	-	-	-	23,492	-	-	-	-	-	-	-	-	156,779
12,892	-	4,023	131,668	97,041,102	-	2,459,236	60,125	25,904	6,700	3,436,574	69,591	-	-	-	275,124	103,522,939
Translation adjustments																
-	-	-	-	882,805	-	-	-	-	-	539,467	-	-	-	-	-	1,422,272
-	-	-	-	(396,504)	-	-	-	-	-	(227,756)	-	-	-	-	-	(624,261)
-	-	-	-	486,299	-	-	-	-	-	311,711	-	-	-	-	-	798,010
Revaluation																
7,151,682	-	1,354,322	-	24,388,528	-	-	-	-	-	-	-	-	-	-	-	32,894,532
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,151,682	-	1,354,322	-	24,388,528	-	-	-	-	-	-	-	-	-	-	-	32,894,532
Disposals																
-	-	-	-	-	-	-	-	-	-	(43,657)	(1,714)	-	-	-	-	(54,093)
-	-	-	-	-	-	-	99	-	8,623	43,657	1,481	-	-	-	-	53,860
-	-	-	-	-	-	-	-	-	-	(233)	-	-	-	-	-	(233)
Depreciation charge for the year																
-	-	(102,494)	(111,265)	(2,208,082)	(51,047)	(5,680,641)	(261,116)	(47,656)	(44,211)	(1,383,227)	(62,518)	-	-	-	(200,253)	(10,152,510)
15,753,026	29,896	3,426,540	643,374	184,103,414	278,423	47,994,863	2,139,840	156,332	164,094	6,975,164	179,220	4,474	1,496	5	3,360,433	265,210,593
Gross carrying value basis as at December 31, 2023																
15,753,026	29,896	13,854,208	2,326,543	249,189,083	1,241,589	127,130,179	5,691,414	2,103,987	3,145,250	20,618,439	2,289,033	22,185	7,417	18	8,363,257	451,765,524
-	-	(10,456,042)	(1,683,169)	(33,018,099)	(963,166)	(79,152,423)	(3,553,439)	(1,953,854)	(2,981,156)	(13,433,344)	(2,131,965)	(17,711)	(5,921)	(13)	(5,002,824)	(154,353,126)
15,753,026	29,896	3,398,166	643,374	216,170,984	278,423	47,977,756	2,137,975	150,133	164,094	7,185,095	157,068	4,474	1,496	5	3,360,433	297,412,397

7.1.1 Land classified as 'Others' are amenity plots licensed from Pakistan Civil Aviation Authority (CAA). These are non-transferable as these were allotted at below market price.

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

	2024			2023		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
	----- (Rupees in '000') -----					
Leasehold land	19,790	-	19,790	19,790	-	19,790
Buildings on Leasehold land	218,532	162,750	55,782	218,532	157,287	61,245
Hotel Properties	38,215,193	18,308,403	19,906,790	40,726,683	17,938,735	22,787,948
	38,453,515	18,471,153	19,982,362	40,965,005	18,096,022	22,868,983

7.1.3 Hotel properties

Roosevelt Hotel Corporation N.V.

The Company engaged JLL Valuation & Advisory Services, LLC ("JLL") to perform a valuation of the property as of 31 December 2023 and 2024. JLL concluded that the highest and best use of the property would be as a commercial redevelopment site. The 2024 and 2023 highest and best use determinations were based on JLL's evaluation of comparable sales for mixed use Class "A" office and retail development in the midtown area of New York City. In connection with the valuations JLL concluded a value to of Rs. 139,832.100 million (\$502 million) at December 31, 2024, and a value of Rs. 152,645.400 million (\$548 Million) at December 31, 2023. The concluded values incorporated an estimated cost of Rs. 4,999.259 million (\$17.947 million) and Rs. 3,332.839 million (\$11.964 million) to demolish the existing improvements at December 31, 2024 and 2023 respectively. Management used their estimate of additional demolition costs of Rs. 19,123.060 million (\$68.652 million) and Rs. 18,545.591 million (\$66.579 million) in the estimate of fair value at December 31, 2024 and 2023 respectively.

The excess of property, plant and equipment over cost relating to Roosevelt Hotel Corporation N.V. consists of the following at 31 December, 2024:

	2024	2023
	----- (Rupees in '000) -----	
Land - at fair Value	80,075,906	90,288,064
Building - at fair Value	43,089,805	44,182,672
	123,165,711	134,470,736
Land - under the cost model	4,646,669	4,646,669
Building - under the cost model	17,537,738	17,537,738
	22,184,407	22,184,407

Minhal France S.A.

The valuation was carried out as at 31 December 2024 by an independent appraiser. The appraiser determined that the market value of the freehold interest in Scribe Hotel as at 31 December 2024 amounted to Rs. 81,577.799 million (US \$ 292.865 million) using Discounted Cash flow (DCF) method with an exit cap of 3.9% and discount rate of 6.8%

which is higher than their alternative and recorded accordingly. This valuation includes lands, buildings and improvements and furniture and equipment. However, fair value of furniture and equipment approximates its carrying value resulting in the entire revaluation surplus allocated to lands, buildings and improvements. Before revaluation the carrying value of lands, buildings and improvements at 31 December 2023 amounted to Rs. 84,644.381 million (US \$ 303.875 million) and accordingly during the year 2023 a surplus of Rs. 1,562.942 million (US \$ 5.610 million) was credited to 'surplus on revaluation of operating fixed assets.

- 7.1.4 Aircraft fleet includes five engines (05) (2023: five (05) engines) held by a third party for overhauling purpose as at December 31, 2024.

Aircraft fleet including engines	Buildings	Technical ground equipment	Total
----- (Rupees in '000) -----			

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7.2 Right of use assets year ended December 31, 2024

Opening net book value	24,476,945	326,558	1,259	24,804,762
Additions during the year	-	1,383,003	-	1,383,003
Depreciation charge for the year	(6,462,074)	(549,173)	(1,084)	(7,012,331)
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	7,438	58,244,484
Accumulated depreciation	(36,659,203)	(2,402,584)	(7,263)	(39,069,050)
Net book value	18,014,871	1,160,388	175	19,175,434

Year ended December 31, 2023

Opening net book value	22,569,350	447,586	4,413	23,021,349
Additions during the year	8,741,347	214,633	10,333	8,966,313
Translation adjustment	-	-	2,518	2,518

Termination of lease

Cost	(2,029,966)	-	(17,439)	(2,047,405)
Accumulated depreciation	1,957,260	-	3,553	1,960,813
	(72,706)	-	(13,886)	(86,592)

Depreciation charge for the period	(6,761,046)	(335,661)	(2,119)	(7,098,826)
Closing net book value	24,476,945	326,558	1,259	24,804,762

Aircraft fleet	Others	Total
----- (Rupees in '000) -----		

7.3 Capital work-in-progress

Year ended December 31, 2024

Balance as at beginning of the year	286,797	292,106	578,903
Additions during the year	-	206,631	206,631
Transfer to operating fixed assets	-	(21,738)	(21,738)
Write-off during the year	(286,797)	(85,877)	(372,674)
Balance as at end of the year	-	391,122	391,122

Year ended December 31, 2023

Balance as at beginning of the year	286,797	109,678	396,475
Additions during the year	-	363,733	363,733
Transfer to operating fixed assets	-	(156,779)	(156,779)
Transfer to intangibles	-	-	-
Write-off during the year	-	(24,526)	(24,526)
Balance as at end of the year	<u>286,797</u>	<u>292,106</u>	<u>578,903</u>

	2024	2023
7.4 Depreciation charge for the year has been allocated as under:	----- (Rupees in '000) -----	
Cost of services	14,757,739	16,039,986
Distribution costs	40,842	13,410
Administrative expenses	1,887,116	1,214,657
	<u>16,685,697</u>	<u>17,268,053</u>

7.5 For the year ended December 31, 2024

(a) The details of immovable fixed assets are as follows:

Description of location	Addresses	Total Area of land Square yards
PIA Booking Office Rawalpindi	Sth The Mall Road, Saddar, Rawalpindi	4,328
PIA DFSL, Warehouse Islamabad	Warehouse, Sector I-11/4, (Pir Wadhai) Islamabad	7,200
PIA Sales Office Gawadar	Airport Road, Gawadar	2,865
PIA Sales Office Multan	65 Ahmed Shah, Abdali Road, Multan	6,528
PIA Sales Office Azad Kashmir	Chattar, Muzaffarabad, Azad Kashmir	444
PIA Sales Office Peshawar	33-The Mall, Arbab Road, Peshawar	9,931
PIA Sales Office Sawat	Faizabad, Saidu Shareef, Mingora, Sawat	1,211
Land for PIA Staff Housing Colony Saidu Sharif	PIA Staff Housing Colony, Saidu Sharif	1,208
PIA Sales Office Skardu	Chashma Bazar, Skardu	1,250
Airport Office Skardu	Tehsil Gumba near old runway, Skardu	4,248
PIA Sales Office Turbat	Commissioner Road, Turbat	18,295
PIA Sales Office Islamabad	Jinnah Avenue, 49 Blue Area, Islamabad	1,195
PIA Sales Office Lahore	Opp. Punjab Assembly near Wapda House, Lahore	4,600
PIA Diagnostic Center Karachi	B-33, KDA Scheme 1, Karsaz, Karachi	1,874
PIA Air Crew Medical Center Karachi	C-1, KDA Scheme 1, Karsaz, Karachi	1,120
PIA Sales Office Faisalabad	Block 16, 26/6, Civil Lines, Faisalabad	1,974
PIA Sales Office Chitral	Polo Ground, Chitral	3,666
PIA Sales Office Quetta	17 Shahrah e Hali, Cantonment, Quetta	3,732
Land for Sales Office Ormara	Ormara, Baluchistan	10,000
Land for Sales Office Sialkot	Plot opposite Chamber of Commerce, Paris Road, Sialkot	1,778
Farm House Abbottabad	Nathia Gali Road, Abbottabad	18,166
Land for Sales Office Gilgit	Plot near NLI Shopping Centre, Gilgit	1,276
Land for Sales Office Sukkur	Minara Road near Jamia Masjid, Sukkur	1,872
Land for Dera Ismail Khan	Survey No. 3A, D.I. Khan Cantt	233
PIA Housing Colony Karachi	PIA Housing Colony, Water Tank, Karachi	1,667
PIA Sales Office Hyderabad	Civic Center, Thandi Sarak, Hyderabad	540
G.D. Somani Marg, Mumbai	Flat No. 32, Jolly Maker-3, Cuffe Parade, Mumbai	193
Narain Manzil, New Delhi	23 Barakhamba Road, New Delhi	451

Shaykhontohur District, Tashkent	Halklar Dustligr Street, Tashkent	291
Leidsestraat 17, Amsterdam	1017 NT Amsterdam	118
Van Nijenrodeweg 835, Amsterdam	1082 JM Amsterdam	309
Koningsvaren 109, Abcoude	Amsterdam	300
Residence No.55, New York	Saxon Woods Road, Scarsdale, NY	2,275

- (b) In addition to above, there are certain assets which are acquired on lease and classified in fixed assets on Right of Used (ROU) basis.

8 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	297,246	45,656	342,902
Balance at end of the year	2,516,455	754,998	3,271,453

Year ended December 31, 2023

Balance at beginning of the year	91,728,751	1,065,868	92,794,619
Gain on revaluation during the year	31,681,999	190,036	31,872,035
Reclassified to property, plant & equipment	(146,380,183)	(859,900)	(147,240,084)
Currency translation	25,332,875	169,105	25,501,980
Balance at end of the year	2,363,442	565,109	2,928,551

- 8.1 The fair valuation of the investment properties as at December 31, 2024 were performed by independent valuer namely 123 Makelaar, RBS associates 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).
- 8.2 Forced sale value of the investment property as of the reporting date is estimated to be Rs.3, 319.729 million (2023: Rs. 2,451.094 million).
- 8.3 Rental income earned during the year was Rs. 53.502 million (2023: Rs. 66.637 million).

9 INTANGIBLES

Computer Software	Goodwill	Total
----- (Rupees in '000) -----		

As at December 31, 2024

Balance as at beginning of the year	282,747	9,607,747	9,890,494
Addition during the year	-	-	-
Translation adjustment	(32,266)	(85,338)	(117,604)
Amortisation for the year	(86,203)	-	(86,203)
Balance as at end of the year	164,278	9,522,409	9,686,687

As at December 31, 2024

Cost / translated balance	1,441,492	9,522,409	10,963,901
Less: accumulated amortisation	(1,277,214)	-	(1,277,214)
Net book value	164,278	9,522,409	9,686,687

As at December 31, 2023

Balance as at beginning of the year	311,099	7,353,477	7,664,576
Addition during the year	78,932	-	78,932
Translation adjustment	-	2,254,270	2,254,270
Amortisation for the year	(107,284)	-	(107,284)
Balance as at end of the year	<u>282,747</u>	<u>9,607,747</u>	<u>9,890,494</u>
As at December 31, 2023			
Cost / translated balance	1,473,758	9,607,747	11,081,505
Less: accumulated amortisation	<u>(1,191,011)</u>	<u>-</u>	<u>(1,191,011)</u>
Net book value	<u>282,747</u>	<u>9,607,747</u>	<u>9,890,494</u>
Useful Life	<u>5 years</u>		

- 9.1 This represents Goodwill recognised due to acquisition of PIAIL in the year 2006 in the consolidated financial statements. In accordance with the requirement of IAS 36 'impairment of asset' the Group has performed its annual impairment test as at 31 December 2024. The recoverable amount is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 19.4% (2023: 21.65%) and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5%. As a result of this assessment, the Group did not identify any impairment.

2024	2023
----- (Rupees in '000) -----	
9.2 Amortisation for the year has been allocated as under:	Note
Cost of services - others	32
Administrative expenses	34
	<u>6,619</u>
	<u>79,584</u>
	<u>86,203</u>
	<u>8,570</u>
	<u>98,714</u>
	<u>107,284</u>

10 LONG-TERM INVESTMENTS**Unquoted**

Minhal incorporated - associate	10.1	<u>176,351</u>	176,351
Provision for impairment		<u>(176,351)</u>	-
		<u>-</u>	<u>176,351</u>

Quoted shares

Pakistan Services Limited		<u>144,634</u>	175,184
		<u>144,634</u>	<u>351,535</u>

11 RECEIVABLE IN RESPECT OF CENTRE HOTEL

Receivable in respect of Centre Hotel	11.1	<u>2,104,225</u>	2,129,235
---------------------------------------	------	------------------	-----------

- 11.1 This represents PIAIL's share of net assets of Centre Hotel, Abu Dhabi, a joint venture agreement (the Agreement) between PIAIL and Sheikh Khalifa which was entered into on 12 January 1978 and ended on 21 April 1997. In accordance with the terms of the Agreement net assets of joint venture at the end of the term were to be distributed to joint venture partners. However, a dispute arose between the parties which remained pending with different Judicial Authorities for many years. During the current year, PIAIL's management revamped the efforts and resultantly on 17 December 2024, an amount of Rs. 3,066.999 million (AED 40,423,793.31), principal plus interest, has been transferred to the Execution Court, Abu Dhabi and subsequently on 3 July 2025 the said funds were credited to PIAIL.

12 LONG-TERM DEPOSITS AND PREPAYMENTS

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

Deposits

Considered good

Aircraft fleet lease deposits

Others

5,480,249

5,406,983

1,180,249

520,043

6,670,255

5,927,026

Considered doubtful

Less: Provision for impairment against doubtful deposits

357,877

357,877

(357,877)

(357,877)

-

-

6,670,255

5,927,026

Prepayments

Rental commission

Prepayment in respect of lease

12.1

16,252

27,554

123,808

167,630

140,060

195,184

(3,006)

(3,042)

137,054

192,142

6,807,309

6,119,168

12.1 Movement in prepayment in respect of lease is as follows:

2024 2023
----- (Rupees in '000) -----

Balance as at beginning of the year

167,630

154,213

Amortisation for the year

(3,024)

(2,743)

Translation adjustment

(40,798)

16,160

Balance as at end of the year

123,808

167,630

- 12.1.1** This represents amount recognised as a long-term prepayment against the right to use the land granted to Avant Hotels (Private) Limited, a joint venture between PIAIL and Pakistan Cricket Board (PCB) for 66 years commencing from 14 February 2013. This right arose from the settlement of claim between PIAIL and PCB. The process of carrying out an independent exercise to ascertain the fair value of right to use the land remains to be completed. PIAIL believes that fair value of the aforesaid right to use the land would be sufficient to cover the claim. However, as a matter of prudence, long term prepayment has been restricted to the extent of outstanding principal amount of Rs. 198.417 million (\$ 712,332) which is amortized over the period of 66 years.

13 STORES AND SPARES

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

Stores

959,168

1,229,918

Spare parts

9,713,749

8,914,051

Inventory related to food and beverages

58,889

59,542

10,731,806

10,203,511

Less: Transfer to assets held for sale

19

(147,508)

-

10,584,298

10,203,511

Provision for slow moving and obsolete spares

13.1

(6,280,258)

(6,055,922)

4,304,040

4,147,589

13.1 Movement in provision is as follows:

Balance as at beginning of the year

6,055,922

5,921,700

Provision for the year

224,336

134,222

Balance as 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	14.1	11,678,210	14,039,326
		13,005,316	16,243,647

Considered doubtful

Government related		239,902	2,989,299
Other customers		7,583,449	4,948,862
		7,823,351	7,938,161

Less: Allowance for Expected Credit Loss	14.2	(7,823,351)	(7,938,161)
		13,005,316	16,243,647

14.1 The aging analysis of trade debts related to Government and other customers are 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	1,350,342	588,656	1,938,998
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	65,545	308,163	373,708
More than 360 days past due	-	32,931	32,931	11,592	6,408,502	6,420,094
	1,327,106	239,902	1,567,008	11,678,210	7,583,450	19,261,660

	2023					
	Government			Other customers		
	Trade debts considered good	Impaired	Total	Trade debts considered good	Impaired	Total
	(Rupees in '000)					
Current	236,727	47,103	283,830	10,773,000	407,521	11,180,521
Overdue less than or equal to 90 days	492,667	99,418	592,086	2,042,364	286,740	2,329,104
More than 90 days past due	692,570	166,617	859,187	907,738	153,420	1,061,158
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	-	3,439,037	3,439,037
	2,204,321	2,989,299	5,193,621	14,039,325	4,948,862	18,988,187

2024 2023
----- (Rupees in '000) -----

14.2 Movement in provision is as follows:

Balance as at beginning of the year	7,938,161	5,490,208
Written off during the year	(462,845)	-
Translation adjustment	(467,258)	94,589
Provision made during the year	815,294	2,353,364
Balance as at end of the year	<u>7,823,352</u>	<u>7,938,161</u>

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	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Considered good			
Lease rentals		2,537,516	2,803,596
Suppliers		4,513,923	3,899,836
Others	15.1	<u>169,230</u>	<u>128,276</u>
		7,220,669	6,831,708
Less: transfer to assets held for sale	11	<u>(21,846)</u>	-
		7,198,823	6,831,708
Considered doubtful			
		820,580	994,726
		8,019,403	7,826,434
Less: Provision for doubtful advances	15.2	<u>(820,580)</u>	<u>(994,726)</u>
		7,198,823	6,831,708

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

15.2 Movement in provision is as follows:	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Balance as at beginning of the year		994,726	994,726
Reversal made during the year		<u>(174,146)</u>	-
Balance as at end of the year		<u>820,580</u>	<u>994,726</u>

16 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits			
Considered good		9,696,798	10,606,711
Considered doubtful		43,707	43,707
Less: provision against doubtful deposits		<u>(43,707)</u>	<u>(43,707)</u>
		-	-
		9,696,798	10,606,711
Restricted cash	16.1	121,352	3,167,663
Prepayments	16.2	<u>635,475</u>	<u>1,058,164</u>
		10,453,625	14,832,538

16.1 Restricted cash belongs to RHC. It consists of board designated cash reserves.

16.2 Prepayments

Current portion of long-term prepayments	3,006	3,042
Insurance	375,063	688,740
Rent	91,960	-
Others	165,446	366,382
	<u>635,475</u>	<u>1,058,164</u>

		2024	2023
	Note	----- (Rupees in '000) -----	
Considered good			
Related party			
Sales tax receivable	17.1	5,726,633	5,139,368
Receivable from GoP		93,697	1,021,127
		<u>5,820,330</u>	<u>6,160,495</u>
Others			
Receivable from Financial Institution	17.2	7,431,011	-
Rental income		25,797	20,438
Others		77,155	481,864
		<u>7,533,963</u>	<u>502,302</u>
Less: Transfer to assets held for sale	19	(249,355)	-
		<u>13,104,938</u>	<u>6,662,797</u>
Considered doubtful			
Less: allowance for ECL	17.3	1,109,765	1,009,509
		<u>(1,109,765)</u>	<u>(1,009,509)</u>
		<u>13,104,938</u>	<u>6,662,797</u>

17.1 This represents unadjusted portion of input tax under Sales Tax Act, 1990 (the Act). The Company has filed application for refunds of input sales tax up to December 31, 2011. In response, Assistant Commissioner Inland Revenue (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 [note 30.1.1 (d)].

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

17.1.1 The maximum aggregate amount due from related parties at the end of any month during the year were as follows:

	2024	2023
	----- (Rupees in '000) -----	
Government of Pakistan	1,315,309	16,608
Federal Board of Revenue	5,726,633	4,845,637

- 17.2 Represent excess amount deducted by financial institutions in respect of principal and mark-up on borrowings during the period from 01 January 2024 to 30 April 2024. Subsequent to period end, the Company has received the amount from the respective financial institutions.

	2024	2023
	----- (Rupees in '000) -----	
Balance as at beginning of the year	1,009,508	930,679
Provision made during the year	100,257	78,829
Balance as at end of the year	<u>1,109,765</u>	<u>1,009,508</u>

18 CASH AND BANK BALANCES	Note	2024	2023
		----- (Rupees in '000) -----	
Cash			
In hand		11,548	92,911
In transit		143,520	133,729
		<u>155,068</u>	<u>226,640</u>
With banks:			
- in current accounts		12,307,280	7,747,935
- in deposit accounts	18.1	3,993,099	1,297,862
		<u>16,300,379</u>	<u>9,045,797</u>
Reclassified to assets held for sale	19	(103,920)	
		<u>16,351,527</u>	<u>9,272,437</u>

- 18.1 These carry mark-up ranging from 1% to 19.5% per annum.

19 ASSETS AND LIABILITIES HELD FOR SALE / DISCONTINUED OPERATIONS

Subsequent to the period end, the Board of Directors of the Holding Company in its meeting held on 15 May 2025 has decided to carve-out the operations and related assets and liabilities of Precision Engineering Complex (PEC) to a separate legal entity to be owned by the GoP. The said carve-out as envisaged would be achieved through a scheme of arrangement under the relevant provisions of the Act, subject to requisite legal and regulatory approvals. In accordance with the requirements of IFRS-5 "Non-current Assets Held for Sale and Discontinued Operations", the Holding Company has reclassified the assets and liabilities related to PEC from the respective line items to assets and liabilities held for sale.

- 19.1 The break-up of assets / liabilities held for sale are as follows:

	Note	2024 (Rupees in '000)
Non-current assets		
Property and equipment	7	
Cost		173,628
Accumulated depreciation		<u>(171,628)</u>
Net book value		2,000
Current assets		
Stores and spares	13	147,508
Advances	15	21,846
Other receivables		249,355
Bank balances	18	103,920
		<u>522,629</u>

			<u>524,629</u>
Non-current liabilities			
Deferred liabilities			(1,826,262)
Current liabilities			
Trade and other payables	27		(1,177,190)
			(3,003,452)
Net assets			<u>3,526,081</u>

19.2 During the year, income and expenses related to discontinued PEC operations are as follows:

	2024 (Rupees in '000)
Other income	367,757
General and administrative expenses	(892,338)
Net loss from discontinued operations	<u>(524,581)</u>

19.3 During the year, cash flows related to discontinued PEC operations are as follows:

Net cash generated from operations	<u>61,433</u>
------------------------------------	---------------

20 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024	2023		2024	2023
----- No. of shares -----		<u>Authorized capital</u>	----- (Rupees in '000) -----	
		Ordinary share capital		
5,349,250,000	5,349,250,000	'A' class shares of Rs. 10/- each	53,492,500	53,492,500
1,500,000	1,500,000	'B' class shares of Rs. 5/- each	7,500	7,500
<u>5,350,750,000</u>	<u>5,350,750,000</u>		<u>53,500,000</u>	<u>53,500,000</u>
		<u>Issued, subscribed and paid-up share capital</u>		
		Ordinary share capital		
5,233,762,128	5,233,761,118	'A' class shares of Rs. 10/- each	52,337,620	52,337,610
1,499,999	1,499,999	'B' class shares of Rs. 5/- each	7,500	7,500
<u>5,235,262,127</u>	<u>5,235,261,117</u>		<u>52,345,120</u>	<u>52,345,110</u>

20.1 As at 31 December 2024, GoP held 5,023,608,577 'A' class ordinary shares and 1,462,515 'B' class ordinary shares respectively representing 96% holding.

21 RESERVES	Note	2024	2023
		----- (Rupees in '000)	-----
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
Hedging reserve		59,381	59,381
Legal reserve	21.1	96,027	96,027
		2,656,446	2,656,446
Revenue reserve			
General reserve		1,779,674	1,779,674
Accumulated losses		(774,617,896)	(759,941,888)
		(772,838,222)	(758,162,214)
Other component of equity			
Unrealised gain on remeasurement of investment		166,646	197,195
Actuarial loss on defined benefit plans		(8,762,428)	(11,817,734)
Foreign exchange translation reserve		15,173,220	16,477,038
		6,577,438	4,856,499
		(763,604,338)	(750,649,269)
22 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net			
		2024	2023
	Note	----- (Rupees in '000)	-----

Balance as at beginning of the year		191,470,092	128,972,280
Surplus arising on fixed assets during the year		3,842,059	35,925,072
Less: Transferred to accumulated losses:			
- Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon		(1,500,154)	(1,301,570)
Revaluation Reserve Realized		(524,020)	-
Translation and other adjustments		(2,122,400)	28,351,036
		191,165,578	191,946,818
Less: Related deferred tax liability on:			
- Balance as at beginning of the year		52,177,833)	35,219,424
- Surplus arising on property, plant and equipment during the year		1,840,385	8,734,474
- Incremental depreciation charged during the year		571,795	(513,351)
- Translation and other adjustments		576,326	8,260,560
		(49,189,327)	51,701,107
Balance as at end of the year		141,976,251	140,245,710

23 LONG-TERM FINANCING

Borrowings

Financial institutions - secured	23.1	286,009,821	206,658,405
Government of Pakistan - unsecured	23.2	108,953,302	108,953,302
		<u>394,963,123</u>	<u>315,611,707</u>

Sukuk certificates

23.3	3,496,822	4,670,052
	<u>398,459,945</u>	<u>320,281,759</u>

	Note	2024 ----- (Rupees in '000)	2023 -----
23.1 Financial institutions			
Local currency			
National Bank of Pakistan		57,864,240	13,000,000
JS Bank Limited		21,906,163	17,598,677
Soneri Bank Limited		1,076,722	1,944,444
Askari Bank Limited		35,533,555	34,470,221
Habib Bank Limited		33,643,139	27,611,111
The Bank of Punjab		58,662,544	55,781,722
Pak Oman Microfinance Bank Limited		783,834	-
Al Baraka Bank Limited		7,220,450	6,458,334
Faysal Bank Limited		22,621,564	17,190,723
Bank Islami Limited		6,812,806	9,900,000
Meezan Bank Limited		901,737	-
Pak China Investment Company Limited		901,737	-
Pak Kuwait Investment Company (Private) Limited		2,254,342	-
	23.1.1	<u>250,182,833</u>	<u>183,955,232</u>
Foreign currency			
Standard Chartered Bank		-	9,801,065
Noor Bank Limited		-	4,977,219
National Bank of Pakistan	23.1.2	12,677,969	-
National Bank of Pakistan (Bahrain)	23.4	37,325,700	37,769,334
BRED Bank	#REF!	6,691,168	8,756,651
Habib Bank Limited	23.1.2	2,338,298	24,809,534
		<u>59,033,135</u>	<u>86,113,803</u>
		309,215,968	270,069,035
Less: Current portion		<u>(23,206,148)</u>	<u>(63,410,627)</u>
		<u>286,009,820</u>	<u>206,658,408</u>

23.1.1 These carry mark-up rate at the lower of 1 year KIBOR or 12% per annum and are secured by against guarantee of GoP and exclusive hypothecation charge over all locally held present and future current and fixed assets of the Company. The principal repayment will be made in bullet upon maturity in December 2033 and the markup will be paid annually commencing from 1 January 2025.

23.1.2 These carry mark-up at the rate of SOFR + 5.4% per annum and are secured against USD denominated GoP guarantee. The principal repayment will be made in 10 equal semiannual installments over a period of 5 years commencing from 1 January 2025 and the markup will be paid annually commencing from 1 January 2025.

23.2 These carry mark-up rates ranging from 10% to 17% per annum.

- 23.3** These carry mark-up rate at the lower of 1 year KIBOR or 12% per annum and are secured by continuing guarantee of GoP. The principal repayment will be made in bullet upon maturity (31 December 2033) and the markup will be paid annually commencing from 01 January 2025.
- 23.4** These carry mark-up at 1 month SOFR plus 5.36% (2023: 9.65%). Markup is payable monthly, with principal repayment in twelve equal installments starting July 2025. The facility matures on 30 June 2026.
- 23.5** These carry mark-up at 3 month Euribor plus 1.50% and are secured through a facility arranged by BRED Banque Populaire and Crédit Foncier de France. The principal is repayable in installments from June 30, 2021 to 31 December 2030. A government-guaranteed loan (PGE) obtained in December 2020 is repayable between 17 January 2023 and 17 December 2026.

	Note	2024	2023
24 LEASE LIABILITIES		----- (Rupees in '000) -----	
Present value of minimum lease payments			
- Aircraft fleet including engines		20,492,024	27,499,075
- Land and building		1,491,879	500,822
- Technical ground equipment		4,888	8,125
	24.1	21,988,791	28,008,022
Less: Current maturity		(7,562,266)	(6,977,321)
		14,426,525	21,030,701

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

	Aircraft Fleet including engines	Land and Building	Technical Ground Equipment	Total
	----- (Rupees in '000) -----			
Balance as at beginning of the year	27,499,076	500,823	8,124	28,008,024
Additions during the year	-	1,417,431	-	1,417,431
Adjustment				
Exchange gain	(319,526)	(5,000)	(1,460)	(325,985)
Repayments / adjustments made during the year	(7,975,650)	(713,150)	(3,069)	(8,691,869)
Interest charged during the year	1,288,123	291,774	1,293	1,581,190
Balance as at end of the year	20,492,024	1,491,879	4,888	21,988,791

	2024			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	8,614,804	1,052,538	7,562,266	8,195,384	1,226,224	6,969,160
Later than one year but not later than five years	15,549,344	1,122,819	14,426,525	22,008,923	1,831,186	20,177,737
Later than five years	-	-	-	874,587	13,462	861,125
	<u>24,164,148</u>	<u>2,175,357</u>	<u>21,988,791</u>	<u>31,078,894</u>	<u>3,070,872</u>	<u>28,008,022</u>

25	DEFERRED TAXATION	Note	2024 (Rupees in '000)	2023
	Deductible temporary differences arising on:			
	Unused tax losses	25.2	47,961,464	11,868,560
	Provisions		9,303,803	13,601,016
	Lease liabilities		7,763,932	9,718,446
	Unrealized loss on re-measurement of investments at FVOCI		-	24,696
	Others		3,044,165	5,422,227
			<u>68,073,364</u>	<u>40,634,945</u>
	Taxable temporary difference arising on:			
	Accelerated tax depreciation		(18,345,123)	(20,999,772)
	Surplus on revaluation of property, plant and equipment		(49,530,868)	(53,739,615)
	Right of use assets		(5,560,875)	(7,189,654)
	Deferred liabilities		(961,792)	-
			<u>(74,398,659)</u>	<u>(81,929,040)</u>
	Defer tax liability		<u>(6,325,295)</u>	<u>(41,294,096)</u>
25.1	Charge for the year			
	Recognised in:			
	Consolidated statement of profit or loss		(34,512,261)	3,666,769
	Consolidated statement of other comprehensive income		(456,540)	464,330
			<u>(34,968,801)</u>	<u>4,131,099</u>

25.2 Further, in view of its accounting policy, the Group has not recognised deferred tax asset amounting to Rs. 121,050.255 million on unused tax losses and unabsorbed tax depreciation amounting to Rs 228,089.039 million and Rs. 189,325.436 million respectively as of 31 December 2024.

26	DEFERRED LIABILITIES	Note	2024 ----- (Rupees in '000) -----	2023 -----
	Postretirement medical benefits	26.1	18,782,978	16,478,993
	Pension obligation	26.2	32,470,583	34,518,083
	UK pension funds' obligation	26.3	(256,342)	(63,455)
	Provision for redelivery cost	26.4	8,374,943	8,195,926
	Staff retirement benefits - PIAL		-	-
	Unfunded staff retirement gratuity - SRL		56,609	50,577
	Government grant		493,488	2,184,413
	Deferred liabilities		-	-
			<u>59,922,259</u>	<u>61,364,537</u>

26.1	Post retirement medical benefits - Holding Company		2024 ----- (Rupees in '000) -----	2023 -----
	Liability recognised in the consolidated statement of financial position			
	Present value of defined benefit obligation		<u>18,782,978</u>	<u>16,478,993</u>
	Movement in liability during the year			
	Balance as at beginning of the year		16,478,993	10,729,735
	Expense recognised in consolidated statement of profit or loss	26.1.1	2,920,477	1,538,127
	Total remeasurements recognised in consolidated other comprehensive income	26.1.2	1,281,372	5,464,786
	Payments made during the year		(1,272,813)	(1,253,655)
	Reclassified to liabilities related to assets held for sale		(625,051)	-
	Balance as at end of the year		<u>18,782,978</u>	<u>16,478,993</u>
26.1.1	Expense recognised in the consolidated statement of profit or loss			
	Current service cost		191,476	73,206
	Interest cost		2,729,001	1,464,921
			<u>2,920,477</u>	<u>1,538,127</u>
26.1.2	Total remeasurements recognised in consolidated other comprehensive income			
	Actuarial loss on liability arising on:			
	- financial assumptions		(259,973)	1,731,610
	- experience adjustments		1,541,345	3,733,176
			<u>1,281,372</u>	<u>5,464,786</u>

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

	PALPA		FENA		Main Pension		Total
	2024	2023	2024	2023	2024	2023	
	(Rupees in '000)						
Liability / (asset) recognised							
Present value of defined benefit obligation	493,869	2,445,113	-	465,380	32,634,003	32,162,726	33,127,872
Fair value of plan assets	(2,271,680)	(1,679,311)	(1,023,375)	(954,231)	2,637,766	2,078,405	(657,289)
	(1,777,811)	765,802	(1,023,375)	(488,851)	35,271,769	34,241,131	32,470,583
Movement in liability / (asset) during the year							
Opening liability / (asset)	(1,391,928)	814,097	(983,380)	(478,009)	36,733,136	29,110,885	34,357,828
Expense recognised in consolidated statement of profit or loss	(122,324)	137,974	(97,183)	(69,312)	4,045,778	4,749,843	3,826,271
Benefits due but not paid (payables)	-	-	-	-	-	-	-
Total remeasurements recognised in other comprehensive income	(240,462)	(124,070)	57,188	58,470	(2,707,151)	2,446,489	(2,890,425)
Employer contributions	(23,097)	(62,199)	-	-	(1,598,784)	(2,066,086)	(1,621,881)
Reclassified to liabilities related to assets held for sale	-	-	-	-	(1,201,210)	-	(1,201,210)
Closing liability / (asset)	(1,777,811)	765,802	(1,023,375)	(488,851)	35,271,769	34,241,131	32,470,583
Movement in the defined benefit obligation							
Obligation at beginning of the year	497,749	2,473,776	465,380	477,024	34,009,309	30,025,184	34,972,438
Current service cost	16,374	24,441	466	-	494,160	678,556	511,000
Past service cost	-	-	-	-	-	-	-
Interest cost	48,049	341,845	41,049	69,168	3,286,912	4,212,332	3,376,010
Benefits due but not paid (payables)	0	-	-	-	-	-	-
Benefits paid	(23,097)	(232,445)	-	-	(1,598,784)	(1,949,247)	(1,621,881)
Remeasurement due to:							
Actuarial losses from changes in financial assumptions	(11,666)	21,362	(12,309)	3,866	(615,306)	432,306	(639,281)
experience adjustments	(33,541)	(183,865)	(56,219)	(84,678)	(2,179,445)	(1,236,405)	(2,269,205)
Obligation at end of the year	493,868	2,445,114	438,367	465,380	33,396,846	32,162,726	34,329,081
Movement in fair value of plan assets							
Fair value at beginning of the year	1,889,677	1,659,679	983,380	955,033	(2,258,447)	914,299	614,610
Interest income	186,747	228,311	97,183	138,480	(223,191)	141,045	60,739
Employer contributions	23,097	62,199	-	-	455,724	2,066,086	478,821
Benefits paid	(23,097)	(232,445)	-	-	(455,724)	(1,949,247)	(478,821)
Return on plan assets excluding amount included in interest income	195,256	(38,433)	(57,188)	(139,282)	(156,128)	(3,250,588)	(18,060)
Fair value 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

26.2.1

Actuarial valuations of pension funds, post retirement medical benefit scheme and compensated absences 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:

	2024	2023
	(Percentage)	(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	Adjusted SLIC
Withdrawal rates	Age - based	Age - based
Retirement assumption	Age 60	Age 60

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

Pension Scheme

	2024	2023
	(Number)	(Number)
Active employees	6,625	7,326
Beneficiaries	249	16,134
Post retirement medical benefit scheme	249	16,134

26.2.3 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:

	PALPA Fund			FENA Fund			Main Pension Fund			Post Retirement Medical Benefits			Compensated Absences		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
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 unconsolidated statement of financial position

26.2.4 The employee benefit plans exposes the Group 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.

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

26.2.6 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

26.2.7 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.

	2024 ----- (Rupees in '000) -----	2023
26.3 UK Pension Obligation		
Liability / (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)
Consolidated statement of financial position liability	<u>(256,342)</u>	<u>(63,455)</u>
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 Remeasurements:	(251,802)	(276,407)
- Actuarial gain from changes in demographic assumptions	(6,286)	(123,325)
- Actuarial loss / (gain) from changes in financial assumptions	(160,301)	108,627
- Experience adjustments	(698)	(26,171)
Exchange loss	(80,467)	1,095,428
Balance at the end of the year	<u>2,750,967</u>	<u>3,113,969</u>
Balance at the beginning of the year		
Fair value 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
Balance at the end of the year	<u>3,007,309</u>	<u>3,177,424</u>

Amounts recognized in the consolidated statement of financial position

Present value of defined benefit obligation		3,113,969
Fair value of plan assets		(3,177,424)
Funded status		(63,455)
Effect of asset ceiling / onerous liability		-
Consolidated statement of financial position liability		(63,455)

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.	

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

2024 **2023**
 ----- (Rupees in '000) -----

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

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

	2024	2023
Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Balance at beginning of the year	8,195,926	6,787,412
Reversal recognised during the year	-	(571,800)

Adjustments

Lease additions during the year	-	-
Exchange loss recognised during the year	(96,235)	1,532,189
Re-assessment of redelivery cost	-	-
Interest charged during the year	275,252	448,125
	179,017	1,980,314
Balance at the end of the year	8,374,943	8,195,926

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26.4 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:

	2024	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	275,252	448,125
	179,017	1,980,314
Balance at the end of the year	8,374,943	8,195,926

		2024	2023
		----- (Rupees in '000) -----	
27 TRADE AND OTHER PAYABLES	Note		
Trade creditors			
Goods	27.1	30,816,253	38,823,943
Services		20,365,375	31,507,406
Airport related charges	27.2	176,488,666	79,830,202
PIACL - Provident Fund		8,893,593	-
		236,563,887	150,161,551
Other liabilities			
Accrued liabilities		5,100,859	6,319,975
Advance against transportation (unearned revenue)	27.3	20,025,160	18,113,436
Obligation for compensated absences	27.4	8,787,349	8,860,144
Unredeemed frequent flyer liabilities	27.5	457,255	579,859
Advance from customers		2,919,147	1,588,698
Amount due to associated undertaking		-	338,794
Advances and deposits		4,520	91,329
Employees provident fund	27.6	53,926	435,879
Collection on behalf of others	27.7	12,577,684	74,112,037
Customs, federal excise duty and sales tax		4,566,264	4,837,833
Federal excise duty - International travel		20,760,267	13,702,130
Contract liability, Settlement payable & Property taxes		12,230,374	17,653,450
Income tax deducted at source		3,508,772	3,905,909
Sales tax payable		-	39
Payable to EOBI / SESSI		3,654	-
Short-term deposits		483,559	720,847
Exchange loss		4,182,966	-
Others		1,636,793	521,795
		97,298,549	151,782,154
Transfer to liabilities held for sale	19	(1,177,190)	-
		332,685,244	301,943,705

27.1 This includes an amount of Rs. 25,250.341 million payable to Pakistan State Oil Company Limited (PSO). There is a difference between the two entities over the application of the payments made by the Group. The Group is making all payments against the fuel invoices. Late payment surcharge (LPS), though accrued as per agreement, would be paid at a later stage. Contrarily, PSO applies a portion of payments against late payment surcharge (LPS).

27.2 This includes an amount of Rs. 162,646.636 million payable to Pakistan Civil Aviation Authority (PCAA) relating to landing, handling, parking and aircraft power supply charges

	2024	2023
	----- (Rupees in '000) -----	
27.3 Advance against Air Transportation (unearned revenue)		
Balance as at beginning of the year	18,113,435	19,601,458
Cash received in advance of performance and not recognised as revenue during the period	196,578,670	222,556,701
Amount recognised as revenue during the year	(194,666,945)	(224,044,724)
Balance as at end of the year	20,025,160	18,113,435

27.4 Obligation for compensated absences

Liability recognised in the consolidated statement of financial position

Balance as at beginning of the year	8,858,188	7,551,622
Charge during the year	228,761	1,385,540
Benefits paid during the year	(299,600)	(78,974)
Balance as at end of the year	8,787,349	8,858,188

27.5 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.

27.6 This represents amount deducted from employees on account of contribution to Provident Fund, the Group'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). The entire amount is not deposited to provident fund within 15 days as required by section 218 of the act, due to 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 (refer note 28).

27.7 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 payable to Pakistan Civil Aviation Authority (PCAA).

	2024	2023
	----- (Rupees in '000) -----	
28 ACCRUED INTEREST		
Mark-up / profit payable on:		
- long-term financing	107,911,798	74,215,128
- short-term borrowings	-	3,325,364
- provident fund	-	8,798,146
	<u>107,911,798</u>	<u>86,338,638</u>
29 SHORT-TERM BORROWINGS		
Short-term loans - secured	46,860,000	46,860,000
Running finance under mark-up arrangements	862,791	862,791
Reclassified to long-term financing	(30,722,791)	-
Reclassified to Trade and Other Payables	(17,000,000)	-
	<u>-</u>	<u>47,722,791</u>

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 Income tax, Sales tax and Federal Excise Duty

- a) Upto the half year ended 30 June 2021, the Group was not recognising income tax under section 113 based on the management's interpretation that Section 113 is not to be levied on the Group'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 Group.
- b) The Group has filed tax returns for tax years up to tax year 2023. The tax returns from tax years 2003 to 2023 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 Group had filed appeals against the above demands which had been decided in favor of the Group 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 Group. 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 Group 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 Group's standing and disallowed depreciation expense as inadmissible. An amount of Rs. 48.235 million was also recovered by FBR in this respect. The Group filed an appeal at CIR (A) level which was decided partially in favor of the Group. Being further aggrieved, the Group has filed appeal at Income Tax Appellate Tribunal (ITAT) level which was decided in favor of Group 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 Group 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 Group 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 Group, 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 Group 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 Group and the department have filed appeals before ATIR. On April 14, 2022, ATIR has decided the appeal in favour of Group.

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 Group 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 Group 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 Group has filed an appeal before ATIR against the said order.

The CIR(A) disposed off Group's appeal and issue Combined appellate order dated October 30, 2015 through which CIR(A) maintained disallowance depreciation and deleted other provisions. The Group 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 Group. 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 Group'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 Group 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, Group 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 Group 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 Group 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 Group has filed an appeal to ATIR against the decision of CIRA, however, the matter is still pending for adjudication.

However, if the above matters are decided against the Group, 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 Group has filed an appeal against the order before CIR(A) which are pending adjudication.

- f) On June 30, 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 Group is considered as an assessee-in-default on adhoc basis without considering the information already provided by the Group 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 Group 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 Group had not collected FED on tickets provided to its employees either free of cost or at concessional rates. The Group paid Rs. 100 million (note 16) against the subject demand which is considered fully recoverable from the tax department. The Group 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 Group 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 Group has paid an amount of Rs. 25 million in this regard which is considered fully recoverable. The Group 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 Group 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 Group for the year 2007-2008. These demands were raised mainly on the issues of collection of FED at incorrect rate and incorrect apportionment of input tax. The Group filed appeal at Commissioner Inland Revenue (Appeals) [CIR (A)], which was decided in favor of the tax department. The Group had filed appeal against this at ATIR and a rectification application with CIR (A). The Tribunal has disposed off the Group'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 Group 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. 5,679.110 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 Group filed application for waiver of penalty for the tax year 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 Group and the tax department have filed appeals with ATIR, which were decided in favor of the Group. Further, for the tax periods of January to March 2010 and November 2010 to January 2011, the Group had filed an application for rectification, which was disposed off by ATIR on July 22, 2016 while maintaining the default surcharge.

On April 30, 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 Group filed an appeal against the said orders before CIR (A), which was decided in favour of the department. Subsequently, the Group filed an appeal against this at ATIR level, Tribunal deleted the penalty but maintained default surcharge which was challenged by the Group in Sindh High Court, the decision is pending adjudication.

The ECC communicated its decision through its letter dated July 12, 2013, directing the Group 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 Group before the Honorable High Court of Sindh (SHC) and obtained stay order in favor of the Group. 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 Group 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 Group has filed appeal before CIR(A) against the said DCIR order, which was decided by CIR(A) in favor of the Group through their order dated June 29, 2017 and remanded back the case to DCIR and accordingly, the Group 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 Group 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 Group 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 year 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 year January to December 2017. Group 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 Group. The Group 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 Group 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 Group has filed an appeal to CIR(A) which is was decided against the Group. Group filed an appeal against the order passed by CIR(A) at ATIR which is decided in favor of the Group 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 Group. Accordingly, no provision has been made in these financial statements in this regard.

30.1.2 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 Group was directed to work out an amount of refund to be paid back to Hajjis based on the difference of fare between regular passengers and short duration Hajjis who flew during Hajj season 2008. The total amount of refund estimated by the Group is Rs. 417 million. The Group has filed appeals simultaneously in Lahore High Court and the Supreme Court of Pakistan. However, after the order of the Honourable Supreme Court 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 Group. Accordingly, no provision has been made in these consolidated financial statements in this regard.
- b) Claims not acknowledged by the group are as follows

	31 December 2024
	Rupees in 000
Pakistan Civil Aviation Authority	76,253,002
National Insurance Company Limited	1,810,802
Pakistan State Oil Company Limited	2,559,844
- c) Various ex-employees of the Group have lodged claims against the Group for their dues specifically relating to their reinstatements aggregating to Rs. 5,580.982 million. The Group 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. The management is of the view that these cases have no sound legal grounds and the Group does not expect these contingencies to materialise. Accordingly, no provision has been made in these consolidated financial statements against these claims amounting to Rs. 5,580.982 million.

30.2 Commitments

- a) Commitments for capital expenditure amounted to Rs. 149.701 million.
b) Outstanding letters of guarantee amounted to Rs. 149.840 million.

	2024	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
Room, food and beverages sales	32,926,446	20,957,882
Cancellation charges	3,009,444	3,786,009
Expired tickets	980,144	1,345,320
Others	4,306,118	2,376,675
	<u>239,652,336</u>	<u>259,585,680</u>

	2024	2023
	----- (Rupees in '000) -----	
31.1 Revenue by geographical segments		
Revenue analysis		
USA and Canada	38,994,824	26,837,158
Europe and UK	16,022,846	13,300,104
Middle East and Africa	51,963,930	40,502,592
Asia (excluding Pakistan)	4,051,165	2,093,556
Pakistan	128,619,571	176,852,270
	<u>239,652,336</u>	<u>259,585,680</u>

31.2 Gross revenue		
Revenue	262,489,769	280,814,443
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	<u>239,652,336</u>	<u>259,585,680</u>

		2024	2023
		----- (Rupees in '000) -----	
32 COST OF SERVICES - OTHERS	Note		
Salaries, wages and allowances		15,988,479	16,906,997
Welfare and social security costs		1,628,714	1,411,040
Retirement benefits		3,093,633	3,671,043
Compensated absences		-	-
Legal and professional charges		107,278	44,894
Stores and spares consumed		2,167,057	2,594,048
Maintenance and overhaul		17,520,499	16,925,490
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	4,024,906
Crew layover		3,411,272	3,099,934

Food and beverages		418,989	300,828
Utilities		165,061	109,917
Communication		2,960,933	3,424,306
Insurance		5,381,128	6,379,317
Rent, rates and taxes		1,281,128	1,409,990
Printing and stationery		228,904	241,889
Depreciation	7.4	14,757,739	16,039,986
Amortisation	9.1	6,619	8,570
Others		1,622,999	1,496,901
		112,330,728	125,319,200

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

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

	Note	2024 ----- (Rupees in '000) -----	2023 -----
33 DISTRIBUTION COSTS			
Salaries, wages and allowances		1,943,901	2,470,386
Welfare and social security costs		203,776	176,542
Retirement benefits		1,604,106	1,903,504
Distribution and advertising expenses		3,583,645	3,315,662
Legal and professional charges		190,716	79,812
Repairs and maintenance		37,233	28,253
Insurance		90,905	144,602
Printing and stationery		149,924	173,792
Communication		416,381	423,669
Rent, rates and taxes		311,648	318,750
Utilities		35,420	44,059
Depreciation	7.4	40,842	13,410
Others		888,003	706,545
		9,496,499	9,798,986

	Note	2024 ----- (Rupees in '000) -----	2023 -----
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and allowances		7,231,751	5,847,260
Welfare and social security costs		303,798	261,023
Retirement benefits		4,323,823	1,681,042
Compensated absences		-	1,223,681
Legal and professional charges		1,437,091	1,083,115
Insurance		182,016	350,035
Printing and stationery		29,749	38,444
Management fee	34.1	691,807	238,913
Municipal taxes		2,120,675	1,871,479
Rent, rates and taxes		987,527	888,958
Utilities		1,546,802	1,405,023
Remuneration of subsidiaries' auditors		4,932	-
Auditors' remuneration	34.2	40,000	26,155
Communication		60,386	59,696
Depreciation	7.4	1,887,116	1,214,657
Amortization	9.1	79,584	98,714
Amortization in respect of long term lease - PIAL		3,024	2,743

Donations	34.3	4,550	3,150
Others		4,819,356	2,554,907
		<u>25,750,963</u>	<u>18,848,995</u>

34.1 The break-up of management fee expense incurred during the year is set forth below:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
(i) Interstate Hotels and Resorts Holding Company (IHC)	198,970	139,549
(ii) ACCOR	492,837	384,758
	<u>691,807</u>	<u>524,306</u>

34.2 Auditors' remuneration

Audit of annual financial statements	15,000
Audit of special financial statements	12,000
Review of condensed interim financial statements	
Other certificates	
Out of pocket	

34.3 Donations include payments aggregating Rs. 4.55 million to its Corporate Social Responsibility setup viz Al-Shifa Trust, situated at Terminal 2, Road, Karachi Airport, Pakistan in which the Chief Executive Officer of the Company (Mr. Amir Hayat) acts as a Trustee / Chairman. Besides this, none of the directors or their spouses have any interest in the donee.

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
35 OTHER PROVISIONS AND ADJUSTMENTS - net			
Provision / (reversal) for slow moving and obsolete spares	13.1	224,336	134,222
Provision / (reversal) for ECL against doubtful debts		311,437	2,353,364
Provision for impairment of investment in associate		176,351	-
Provision for doubtful other receivable		4,985	78,829
(Reversal) / provision on late payment of fuel		(396,938)	1,233,569
Others		497	128
		<u>320,669</u>	<u>3,800,112</u>

36 OTHER INCOME

Income from financial assets:

Profit on bank deposits	92,108	155,801
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Income from assets other than financial assets:

Gain on disposal of property, plant and equipment	3,995	7
Rental income	78,654	66,637
Insurance claim	324,195	461,755
Remeasurement gain on investment property	342,902	32,072,980
Liabilities no longer payable - written back	1,569,682	1,633,075
Others	569,164	943,653
	<u>2,980,700</u>	<u>35,333,908</u>

37 FINANCE COSTS

Mark-up on:

- long-term financing		58,208,637	81,571,906
- short-term borrowings		-	6,939,258
		<u>58,208,637</u>	<u>88,511,164</u>
Lease liabilities	24.1	1,581,190	1,835,733
Provision for Redelivery		275,252	-
Discounting on long term deposits		(146,586)	88,330
Provident fund		95,448	147,700
Agency and commitment fee		-	66,751
Arrangement fee		-	83,939
Bank charges, guarantee commission and other related charges		213,838	258,614
		<u>60,227,780</u>	<u>90,992,231</u>

38 TAXATION

Current tax	38.1	4,328,638	4,914,244
Deferred tax		(34,512,261)	4,531,677
		<u>(30,183,623)</u>	<u>9,445,921</u>

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.

39 LOSS PER SHARE - BASIC AND DILUTED

The calculation of loss per share at December 31 is based on loss attributed to owners of ordinary shares of the Holding Company.

	2024	2023
	----- (Rupees in '000) -----	
Loss for the year	<u>(15,349,730)</u>	<u>(87,263,457)</u>
Weighted average number of ordinary shares		
outstanding	<u>5,235,261,117</u>	<u>5,235,261,117</u>
Loss per share attributable to:		
'A' class Ordinary share (Rupees)	<u>(2.93)</u>	<u>(16.67)</u>
'B' class Ordinary share (Rupees)	<u>(1.47)</u>	<u>(8.33)</u>

40 CASH GENERATED FROM OPERATIONS

Loss before levy and income tax	(43,993,306)	(77,817,536)
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Adjustments for:

Depreciation	16,716,900	17,268,053
Gain on disposal of property, plant and equipment - net	(3,826)	(7)
Unrealised exchange loss	422,765	22,507,807
Unrealized gain / (loss) on Investment Property	(960,582)	(31,872,012)
Reversal of multiemployer pension withdrawal liability	-	(6,922,690)
Amortisation / adjustment of intangibles	125,279	107,284
Provisions	9,439,097	8,946,904
Deferred rent	4,152	2,147
Finance cost	61,877,417	90,992,231
Share of loss from associates	-	1,004
Restricted cash	3,026,987	(2,856,192)
Interest Income	(898,350)	(155,801)
Impairment accrued on short term loan	3,032	
	45,759,565	20,201,192

Working capital changes

Stores and spares	(617,006)	(568,791)
Trade debts	3,679,186	4,716,529
Short-term loans and advances	(1,507,886)	(1,338,880)
Trade deposits and short term prepayments	2,158,028	(11,063,626)
Other receivables	(10,923,813)	526,987
Trade and other payables	(168,979)	59,572,800
	(7,380,470)	51,845,019
Cash generated from operations	38,379,095	72,046,211

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2024					
	Liabilities					
	Short term borrowing (including accrued markup)	Long Term Financing (including accrued markup)	Sukuk (including accrued markup)	Non-Controlling interest	Lease liabilities	Total
Balance as at beginning of the year	51,050,814	443,642,328	5,379,427	5,081,646	27,897,069	533,051,284
Changes from financing cash flows						
Proceeds from loans and borrowings	7,005,435					7,005,435
Transfer to Short term borrowings	-	(9,741,096)				-
Repayment of loans and borrowings	-	1,882,605	(1,882,605)			(9,741,096)
Rclassified to Islamic Financing						
Dividend paid to non-controlling interest	-			-		
Payment of finance lease liabilities	-				(8,805,512)	(8,805,512)
Total changes from financing cash flows	7,005,435	(7,858,491)	(1,882,605)	-	(8,805,512)	(11,541,172)
Changes in fair value	-	-	-		-	-
Other changes - liability related	-			-		-
Currency translation difference	-			759,976		759,976
Interest expense	-	32,176,588	419,619	-		32,596,207
Interest paid		(208,772)		-		(208,772)
Total liability - related other changes	-	31,967,816	419,619	759,976	-	33,147,411
Total equity - related other changes	-	-	-	163,598	-	-
Balance as at end of the year	58,056,249	467,751,653	3,916,441	6,005,221	19,091,557	554,657,523

42 REMUNERATION OF CHIEF EXECUTIVE, 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	71,515	359,985
	8,677	11,916	154,660	158,556	2,956,196	3,274,335
Number	1	1	7	14	683	535

43 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

43.1 Type of segments Nature of business

Aviation	This part of business is mainly engaged in the provision of commercial air transportation, engineering and allied services.
Hotel Services	This part of business is primarily engaged in operations relating to the Hotels, Restaurants and related services.
Others	It includes management of investments and also provision of reservation system services.

43.2 Information regarding the Group's operating segment is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Revenue - net		
Aviation	204,164,462	237,882,756
Hotel Services	34,973,012	22,150,300
Others	652,085	710,972
Adjustments and eliminations due to inter-segment balances	(137,223)	(1,158,348)
	<u>239,652,337</u>	<u>259,585,680</u>

	2024	2023
	(Rupees in '000)	
Aviation	182,164,576	218,483,356
Hotel Services	7,010,292	5,503,448
Others	97,481	87,291
Adjustments and eliminations due to inter-segment balances	(1,355,588)	(872,954)
	<u>187,916,760</u>	<u>223,201,141</u>

Transaction between business segments are conducted on agreed basis in a manner similar to transactions between third parties. Segment revenue, segment expenses and segment results include transaction between business segments

43.3 Revenue analysis

	Aviation		Hotel operations		Others		Eliminations / adjustments		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)									
Revenue										
External sales	204,164,462	237,882,756	34,973,012	22,150,300	652,085	710,972	-	-	239,789,559	260,744,028
Intersegment sales	-	-	-	-	-	-	(137,223)	(1,158,348)	(137,223)	(1,158,348)
Total revenue	204,164,462	237,882,756	34,973,012	22,150,300	652,085	710,972	(137,223)	(1,158,348)	239,652,337	259,585,680
Results										
Segment results	26,203,765	(104,500,598)	6,762,527	16,938,148	(47,697,956)	32,440	387	(201,241)	(14,731,277)	(97,234,717)
Interest expense	(10,065,675)	(79,429,496)	(5,793,308)	(13,937,384)	(46,018,931)	-	1,650,135	2,376,618	(60,227,779)	(51,716,125)
Interest income	408,944	1,012,744	-	-	-	-	(854,038)	-	(445,094)	101,597
Share of associate's loss	-	847	-	-	-	-	-	-	-	847
Income taxes	(30,792,525)	3,009,575	1,427,888	6,414,253	4,326	13,204	-	-	(29,360,311)	(3,358,773)
Depreciation	(12,233,434)	(13,628,995)	(4,492,338)	(1,180,302)	(50,402)	(64,133)	-	-	(16,776,174)	(15,234,098)
Amortisation	(82,733)	(107,125)	(3,024)	-	(446)	-	-	-	(86,203)	(109,249)
Assets and liabilities										
Segment assets	187,287,659	159,689,341	238,583,646	257,360,709	90,118,801	454,681	(119,727,975)	(14,659,749)	396,262,131	321,265,224
Investment in associates	-	396	-	-	-	-	-	175,955	-	142,912
Capital expenditure	1,391,324	4,299,969	308,433	313,853	24,671	12,940	-	-	1,724,428	5,375,531
Segment liabilities	183,733,512	849,903,455	71,475,127	126,538,332	730,713,311	378,520	(26,376,028)	(21,534,430)	959,545,922	811,260,971

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

44 FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk (including return rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group'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. The Group's financial risk-taking activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended December 31, 2024. The policies for managing each of these risk are summarized below:

44.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity price will affect the Group's income or value of its holding of financial instruments.

a) Fuel price risk

The Group's earnings are affected by changes in price of aircraft fuel. The Group hedges fuel prices to a limited extent through use of derivative contracts. There are no derivative contracts outstanding as of year end.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the currency risk where transactions are done in foreign currency.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's revenue streams are denominated in a number of foreign currencies resulting in exposure to foreign exchange rate fluctuations. In addition, the Group has substantial foreign currency borrowings and lease liabilities that are primarily denominated in US Dollar (US\$). The Group can experience adverse or beneficial effects arising from foreign exchange rate movements. The Group 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 loss before tax:

The Holding Company manages some of its currency risk by utilizing 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 loss before tax:

	Change in exchange rates	Effect on loss for the period 01 January to 31 December 2024 ----- Rupees in '000 -----	Effect on loss for the period 01 January to 31 December 2023
Change in US\$ rate (Increase) / decrease in loss before tax	± 10%	3,711,833	2,748,919

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

Majority of the interest rate risk of the Group arises from long term loans and mark-up bearing deposits held with a bank. Long term loans at variable interest rates expose the Group to cash flow interest rate risk and deposits with bank at fixed interest rates give rise to fair value interest rate risk.

	2024 ----- (Rupees in '000) -----	2023 -----
<u>Variable rate instruments at carrying amount:</u>		
Financial liabilities		
Long-term financing	398,459,945	286,140,800
Liabilities against assets subject to finance lease	21,988,791	28,008,022
Short-term borrowings	-	47,722,791
	<u>361,871,613</u>	<u>361,871,613</u>
Financial assets		
Long term deposits	6,807,309	-
	<u>368,678,922</u>	<u>361,871,613</u>
<u>Fixed rate instruments at carrying amount:</u>		
Financial liabilities		
Long-term financing	-	8,000,000
	<u>-</u>	<u>8,000,000</u>
Financial assets		
Bank deposits	3,993,099	(1,297,862)
Long term Loans	-	(603)
	<u>3,993,099</u>	<u>6,701,535</u>

Fair value sensitivity analysis for fixed rate instruments

The Group 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 consolidated statement of profit or loss.

d) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. The Group does not carry material financial assets exposed to other price risk.

44.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. The Group 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.

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

	Contractual Cash flows	Less Than 1 Year	1 - 5 Years	More than 5 years
	----- (Rupees in '000) -----			
2024				
Long term loans and accrued mark-up	485,975,971	114,591,627	12,529,759	358,854,585
Lease liabilities	21,853,218	7,514,488	14,338,730	-
Trade and other payables	262,382,455	262,382,455	-	-
Short-term borrowings	-	-	-	-
	<u>770,211,644</u>	<u>384,488,570</u>	<u>26,868,489</u>	<u>358,854,585</u>
2023				
Long term loans and accrued mark-up	51,546,296	84,905,094	3,625,031	8,756,651
Lease liabilities	27,774,628	27,774,628	-	-
Trade and other payables	276,610,146	276,610,146	-	-
Derivative (CAP)	-	-	-	(147,943)
Settlement Payable	14,248,532	8,369,008	5,630,449	1,127
Property & Other tax payable	2,336,206	646,434	1,689,772	-
Short-term borrowings	47,722,791	47,722,791	-	-
Long Term Deposits	119,431	-	119,431	-
	<u>420,358,030</u>	<u>446,028,101</u>	<u>11,064,683</u>	<u>8,609,835</u>

44.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. All financial assets except cash in hand are subject to credit risk. The carrying amount of financial assets as at December 31, 2024 represents the maximum credit exposure, which is as follows:

	2024	2023
	----- (Rupees in '000) -----	-----
Receivable in respect of Centre Hotel	2,104,225	2,129,235
Long-term deposits	6,670,255	5,927,026
Trade debts	13,005,316	16,243,647
Trade deposits	9,696,798	10,606,711
Other receivables	-	354,359
Bank balances	16,351,527	9,045,797
	<u>47,828,121</u>	<u>44,306,775</u>

Trade debts

The Group has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Group 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 collateral 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 to these consolidated 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 receivable is from GoP.

44.4 Capital management

The Group's objective when managing capital are to safeguard Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's debt to equity ratio at the end of the reporting period was as follows:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Total liabilities	109,098,461	125,657,647
Cash and cash equivalents	(5,709,688)	(4,854,836)
Net debt	<u>103,388,774</u>	<u>120,802,811</u>
Total equity	<u>129,320,802</u>	<u>131,243,552</u>
Debt to equity ratio at December 31	<u>0.80</u>	<u>0.92</u>

The Group is subject to externally imposed capital requirements from the lenders of the long term loans. Consistent with the requirements of the lenders the Group monitors the capital structure on the basis of loan to value ratio. The lender required MFSA to maintain a loan to value ratio of less than 30%. The loan to value ratio of MFSA as of reporting date is as follows:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Scribe Hotel assessed value	81,577,800	85,650,420
Outstanding loan balance - Minhal France S.A.	<u>6,691,168</u>	<u>8,756,651</u>
Loan to value ratio	<u>8.2%</u>	<u>10.2%</u>

The overall loan to value ratio of the Group as of reporting date is as follows:

Assessed value:

- Roosevelt Hotel	125,708,299	139,066,101
- Scribe Hotel	<u>81,577,800</u>	<u>85,650,420</u>
	<u>207,286,099</u>	<u>224,716,521</u>
Outstanding loan balance	<u>44,016,868</u>	<u>46,525,985</u>
Loan to value ratio	<u>21%</u>	<u>21%</u>

44.5 Fair value of financial instruments

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).

45 TRANSACTIONS WITH RELATED PARTY

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

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	96%	Major Shareholder
Al-Shifa Trust	-	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
Provident Fund		
PIA Provident Fund	-	Provident Fund
Profit oriented state controlled entities		
Pakistan State Oil Company Limited	-	State owned / controlled entities
Pakistan Civil Aviation Authority	-	State owned / controlled entities
National Bank of Pakistan	-	State owned / controlled entities
National Insurance Corporation Limited	-	State owned / controlled entities
Federal Board of Revenue	-	State owned / controlled entities
Key management personnel		
Amanullah Qureshi	-	Key management personnel
Amir Ali	-	Key management personnel
Amos Nadeem	-	Key management personnel
Maj Khuram 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 Related parties include associated entities, directors and their close family members and other key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

		2024	2023
		----- (Rupees in '000) -----	
Name of Related Parties and relationship with the Company			
Retirement funds	Contribution to provident fund and others	2,347,192	2,043,593
	Interest on overdue balance of provident fund		147,700
Management fee paid by ACCOR		489,837	384,758

Profit oriented state-controlled entities - common ownership

		2024	2023
		----- (Rupees in '000) -----	
Pakistan State Oil (PSO)	Purchase of fuel	42,316,115	55,844,514
	Late Payment Interest	(396,938)	1,233,659
Civil Aviation Authority (CAA)	Airport related charges	10,838,947	14,673,004
National Insurance Company (NICL)	Insurance premium	9,375	6,266,669
National Bank of Pakistan (NBP)	Finance costs	8,443,807	9,820,692
GoP - Major shareholder	Finance cost	20,446,914	21,681,836

**Minhal France S.A. -
Sub-subsidiary**

	Management fee income	11,302	-
Key Management Personnel	Remuneration and allowances	3,119,533	-

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

Management has evaluated the significance of these conditions and has concluded that there is a reasonable expectation that the RHC can continue in operational existence for the foreseeable future.

		2024	2023
		----- (Number) -----	
45.4	Number of employees of the Group		
	Average number of employees during the year	<u>7,755</u>	<u>7,755</u>
	Number of employees as at year end	<u>7,547</u>	<u>7,547</u>

46 AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in their meeting held on 28 July 2025.

47 GENERAL

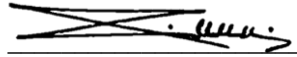
All figures have been rounded off to the nearest thousand Pakistan Rupees unless otherwise stated.

48 CORRESPONDING FIGURES

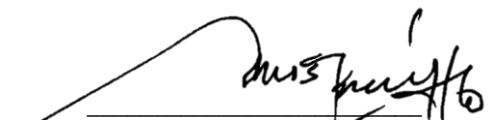
Corresponding figures have been rearranged and regrouped, wherever necessary for the purpose of comparison and for better presentation.



Chief Executive Officer



Director



Chief Financial Officer

PROXY FORM

First Annual General Meeting

I / We _____ of _____ being Shareholder(s) of PIA Holding Company Limited (PIAHCL) holding the following Shares:

Folio No Participant ID No. / Account No.	'A' Class Shares	'B' Class Shares

hereby appoint Mr / Mrs / Miss _____ of _____ or failing him / her _____ of _____ who is / are also a Shareholder(s) of the PIAHCL vide Registered Folio / Participant ID No. _____ Account No _____ as my / our Proxy in my / our absence to attend and vote for me / us and on my / our behalf at the First Annual General Meeting of PIAHCL to be held on Tuesday, August 19, 2025, and at any adjournment thereof.

As witness my / our hand / seal this _____ Day of _____ 2025.

Signed by the said _____ in the presence of

WITNESS

1.

Name: _____

CNIC No: _____

Address: _____

2.

Name: _____

CNIC No: _____

Address: _____

Signature
(Affix Revenue Stamp of appropriate value)

NOTES

- This proxy Form, duly executed, must be lodged at the office of Company Secretary, PIAHCL liaison office address (Company Secretary, 1st Floor, Executive Corridor, PIA Head Office, Karachi-Airport) not less than 48 hours before the time fixed for holding the First Annual General Meeting i.e. upto 11:00 A.M. Sunday, August 17, 2025.
- No person shall act as Proxy unless he himself / she herself is a Shareholder of the PIAHCL except that a corporate entity may appoint a person who is not a Shareholder.
- Proxies without Folio / Participant ID Number and Account / Sub-Account number will not be entertained.
- Signature of the appointer Shareholder should agree with his / her specimen signature registered with the PIAHCL.
- If a Shareholder appoints more than one proxy and more than one instruments of proxy are deposited by a Shareholder with the PIAHCL, all such instruments shall be rendered invalid.
- In addition to the above the following requirements have to be met by CDC Account Holders / Corporate Entities:
 - Attested copies of CNIC or Passport of the Beneficial Owner and the Proxy holder shall be furnished with the Proxy Form whereas the Proxy holder shall also show his / her original CNIC or Passport at the Meeting.
 - In case of corporate entity, the Board's Resolution / Power of Attorney with specimen signature of the Nominee Attorney shall be produced at the Meeting unless these documents have already been provided.
- Detailed procedure is provided in the Notes to the Notice of First Annual General Meeting.

میں / ہم بن / بنت / زوجہ بحیثیت حصص یافتگان پی آئی اے
ہولڈنگ کمپنی لمیٹڈ حامل مندرجہ ذیل حصص:

فولیو نمبر / شراکت کنندہ کا آئی ڈی نمبر / اکاؤنٹ نمبر	'A' کلاس حصص	'B' کلاس حصص

بذریعہ ہذا جناب / محترمہ بن / بنت / زوجہ یا ان کی غیر
موجودگی میں بن / بنت / زوجہ جو کہ پی آئی اے ایچ سی ایل
کے حصص یافتہ بھی ہے / ہیں رجسٹرڈ فولیو / شراکت کنندہ کا ID نمبر اکاؤنٹ نمبر کو اپنے / ہمارے ایماء پر اپنی / ہماری غیر حاضری پر
مورخہ 22 فروری 2025 بروز ہفتہ کو منعقد ہونے والے پی آئی اے ہولڈنگ کمپنی لمیٹڈ کے پہلا سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کیلئے اپنا / ہمارا
پراکسی (مختار) مقرر کرتا / کرتی ہوں / کرتے ہیں۔
آج بروز منگل، 19 اگست 2025 کو میرے / ہمارے بطور گواہ دستخط / مہر سے جاری ہوا۔

دستخط
(مناسب قیمت کا
ریونیوسٹیپ لگائیں۔)

دستخط شدہ بجانب کی موجودگی
گواہان:

1) نام:
شناختی کارڈ نمبر:
پتہ:
2) نام:
شناختی کارڈ نمبر:
پتہ:

نوٹس:

- یہ پراکسی فارم باضابطہ طور پر مکمل ہوا اور اجلاس کے مقررہ وقت سے 48 گھنٹے قبل یعنی بروز اتوار 17 اگست 2025 بوقت صبح 11:00 بجے کمپنی سیکرٹری پی آئی اے ہولڈنگ کمپنی لمیٹڈ کے رابطہ آفس کے پتہ (کمپنی سیکرٹری، پبلی منزل، ایگزیکٹو کوریڈور، پی آئی اے ہیڈ آفس، کراچی، انٹرپورٹ) میں لازماً وصول ہو جائے۔
- پی آئی اے ہولڈنگ کمپنی لمیٹڈ کے غیر حصص یافتہ کو بطور پراکسی مقرر نہیں کیا جاسکتا، البتہ کارپوریٹ منیجمنٹی کسی غیر حصص سے یافتہ کو مقرر کر سکتی ہے۔
- فولیو آئی ڈی / شراکت کنندہ کا نمبر اور اکاؤنٹ / سب اکاؤنٹ نمبر کے بغیر پراکسی پر غور نہیں کیا جائے گا۔
- مقرر کرنے والے حصص یافتہ کے دستخط پی آئی اے ایچ سی ایل میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔
- اگر حصص یافتہ ایک سے زائد پراکسی مقرر کرے اور حصص یافتہ کی جانب سے پراکسی کے ایک سے زائد انسٹرومنٹس پی آئی اے ایچ سی ایل کو جمع کروائے گئے، تو ایسے تمام انسٹرومنٹس کو کالعدم قرار دیا جائے گا۔
- درج بالا کے ساتھ سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ منیجمنٹس درج ذیل مطالبات پر عمل کریں:
- (الف) - بنی فیشل اور شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی اور پراکسی ہولڈر پراکسی فارم کے ساتھ مہیا کرے جبکہ پراکسی ہولڈر مینٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ دیکھائے گا۔
- (ب) - کارپوریٹ منیجمنٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نامزد کنندہ کے دستخط کے نمونے / اٹارنی کے ساتھ اجلاس کے وقت مہیا کریں بجواسکے کہ یہ دستاویزات پہلے سے مہیا کر دیئے گئے ہوں۔
- تفصیلی طریقہ کار پہلا سالانہ اجلاس عام کے نوٹس میں مہیا کر دیا گیا ہے



PIA Holding Company Ltd.

www.piahcl.com.pk

REGISTERED ADDRESS

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4th Floor, PIA Building,
49-AKM Fazal-e-Haq Road,
Blue Area, Islamabad, Pakistan

LIAISON OFFICE ADDRESS

Company Secretary - PIAHCL
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PIA Head Office,
Karachi-Airport