



ANNUAL REPORT 2020

Sialkot International Airport Limited

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VISION & MISSION

Vision —

Sialkot International Airport, a **World class airport**, to become world's number one for services to airlines and passengers; an international gateway; and airport of choice for customers.

Mission —

“To build, own and operate a business oriented airport in a safe, efficient, and fiscally responsible manner and provide superior standards of customer service and excellence, while maintaining the highest levels of safety, convenience and efficiency”

VALUES & GOALS



To comply with federal, provincial, and local regulations, with special emphasis on safety, environmental protection, public service, community involvement and equity.



To empower every member of the team to provide value to processes, products and services.



To embrace and nurture quality culture in order to achieve continuous improvement.



To maximize level of proficiency, performance and productivity of the organization.



To identify opportunities in augmenting fiscal options to enhance capital investment, operating and maintenance projects through public-private partnerships.



To develop and maintain a world class airport that will serve as a gateway to Pakistan and a hub of commercial activity for the local community.

CHAIRMAN'S MESSAGE



Sialkot International Airport Limited (SIAL) is the only example of building a Greenfield airport in Private sector with the support of Govt. of Pakistan. SIAL project carries lot of international appreciations time to time which enhanced the soft image of Pakistan.

At SIAL, best possible services are being provided to the flyers and exporters of 3rd largest export triangle (Sialkot, Gujrat and Gujranwala) of Pakistan. Renowned Airlines i.e. Emirates Airline, Gulf Air, Qatar Air, Flu Dubai, Saudi Gulf, Salam Air and PIA entrusted SIAL and benefiting from the best handling services at SIAL. Other potential Airlines like Turkish Air, British Airways and Saudi Airline are also considering to start their flight operation.

SIAL calibration for flight operation and cargo movement is ever maintained at par with the international standards duly set by the Pakistan Civil Aviation Authority.

Finally, I sincerely tribute the work duly coordinated by BOD SIAL and seasoned Management with whom efforts and vision, company is progressing in the right direction. May Allah be our guide and protector!

A handwritten signature in black ink, appearing to be 'Mian Naeem Javed'.

Mian Naeem Javed
Chairman

CEO'S MESSAGE



The success story of SIAL is no longer hidden from anyone. By the grace of Allah Almighty it is progressing year after year. Although last quarter of the year ended 30-6-2020 – due to Covid-19 outbreak was very testing for businesses all over the globe but it was worst for aviation sector. Since July 2020, things are improving but recession time is not yet over. Even then, SIAL posted an after tax profit of Rs.973.87 million for the year.

In mid-March 2020, we rapidly developed a response to fast moving Covid-19 challenges and implemented new policies, emphasizing social distancing, mandatory mask wearing and significantly enhanced cleaning regimens, to keep our employees and travelers safe and healthy.

As part of our efforts, we at SIAL are following the most restrictive recommendations outlined by the Government, particularly for the passengers travelling via airports. Also having more than 700 employees, we felt it provided a good benchmark for supporting and safeguarding our employees as well.

With gradual increase in flight operation to/from SIAL, I sincerely believe that with the grace of Allah (SBWT) and under the profound guide of BOD, SIAL will always be there, to equip the nation and other stakeholders with its matchless services, in the world of aviation. However, we learnt how regularity and resolve pays off in the achievement of set targets. The latest wave of Covid pandemic has also been reported in Europe. We need to keep a close eye on changing circumstances and move forward with a clear business strategy at least up to next 06 months.

Being asset of the company, efforts of SIAL's personnel must also be appreciated who showed their dedication and patience during the testing time of pandemic.



Baber Iqbal
Chief Executive Officer

MILESTONES

- **12-06-2001:-** SIAL was incorporated as a non-listed Public Ltd Company.
- **23-1-2003:-** Project of the Airport started.
- **18-12-2003:-** Ground Breaking Ceremony by the Chief Minister of Punjab.
- **26-3-2005:-** First testing Aircraft landed.
- **29-9-2007:-** First proving flight of Air Blue landed.
- **20-10-2007:-** Second proving flight of PIA landed.
- **29-10-2007:-** Issuance of Public Aerodrome License (Domestic/International operations).
- **30-11-2007:-** PIA started Domestic Passenger Operations.
- **11-12-2007 :-** Inauguration of the Airport by President of Pakistan.
- **05-08-2008:-** Ground Handling Certificate obtained.
- **27-10-2008:-** Qatar Airways started Cargo operations.
- **18-7-2009:-** Shaheen Air started Passenger flights.
- **13-11-2009:-** First ever Hajj Operation started.
- **20-11-2012:-** Permission granted by the Federal Government to foreign carriers for starting operations to/from SIAL.
- **11-1-2013:-** First Foreign Carrier (Air Arabia) started daily Passenger Flights to Sharjah.
- **13-3-2013:-** Fly Dubai started three weekly passenger flights to Dubai (Daily flight w.e.f. 13th August 2015).
- **5-11-2013:-** Emirates started four weekly passenger flights to Dubai (Daily flight w.e.f. 1st September 2015).
- **17-1-2014:-** Gulf Air started two weekly passenger flights to Bahrain.

MILESTONES

- **13-6-2014:-** RA3 validation from European Union for movement of Cargo to European countries
- **16-7-2015:-** Qatar Airways started 4 weekly passenger flights to Doha.
- **20-3-2016:-** 2nd largest Russian Cargo Aircraft, AN-124, landed at SIAL.
- **21-4-2017:-** Installation of Common User Terminal Equipment and Baggage Reconciliation System (CUTE & BRS).
- **17-5-2017:-** Salam Air Passenger Flights started with 03 weekly flights.
- **30-6-2017:-** Installation of most modern Flight Information Display System (FIDS).
- **08-01-2018 :-** Inauguration of International Passenger Terminal Building by Prime Minister of Pakistan.
- **19-11-2018:-** Project of construction of Link Taxiway No. 02, New Dumbbell at 22-End and repair of Existing Runway started.
- **20-01-2019:-** Start of PIA flight from/to Europe (Paris-Barcelona-Sialkot-Paris-Barcelona).
- **12-02-2019:-** Finalization and Award of contract of Perimeter Intrusion Detection System. After Lahore, SIAL will be the first Airport having this Intruder Alarm System.
- **11.09.2019 :-**Start of PIA direct flight from/to London (Heathrow-Sialkot-Heathrow)
- **05-12-2019:-** Start of PIA direct flight from / to Milan (Sialkot-Paris-Milan)
Overall 99.77% OTP (on time performance) was maintained during the year 2019-20.
- **06-5-2020 :-** Completion of Perimeter Intrusion Detection System.
- **11-06-2020:-** Repair of existing runway completed.
- **12-06-2020:-** Construction of New Dumbbell at 22 end completed.

COMPANY'S PROFILE

By the grace of Allah Almighty, Sialkot International Airport Limited (SIAL) is now a vibrant Company and a well-known name domestically and internationally. In the 13th year of its operations, it has graduated from limited passenger and cargo operations to become the sixth busiest international airport of the Country and growing.

This venture in the field of aviation, first of its kind by the private sector was the premier initiative of members of the Sialkot Chamber of Commerce and Industries (SCC&I). The need of the hour was to build an airport within the district of Sialkot to serve the interests of business, trade, commerce and travelling passengers of the area. The airport now addresses the requirements of the third largest exporting zone of Pakistan and that of a large number of travelling passengers and expatriate Pakistanis. Located ideally within the "Triangle of Technology", Sialkot – Gujranwala – Gujrat, SIAL provides a high quality of aviation services to businessmen, traders, shippers, exporters/importers, travelling passengers, Hujjaj and Zaireen. SIAL has thus linked the area to the rest of the Country and to the most desired international destinations. The Company's contribution towards economic uplift of the area and towards the national economy is visibly felt in various quarters.

Salient of Company's history are being highlighted to provide a brief overview of the distance we have travelled since our inception.

Groundbreaking took place in December 2003 and the first proving sortie landed on 26 March 2005. The first passenger flight (PIA) arrived on 30 November 2007

and the first cargo flight (Qatar Airways) on 27 October 2008. Before Covid-19 pandemic, 8 carriers operating to one domestic and 10 international destinations with about 60 frequencies per week. Within the next few months, presently flying air carriers will be adding more frequencies and new carriers will commence operation for SIAL. Currently under one million passengers travel through SIAL both ways and numbers are rising. Development of new and extensive communication network within the zone by the Government will provide better quality and shorter road linkages to a greater number of surrounding districts. The main ones are; the motorway from Lahore to Sambrial has already been opened for traffic. To extend it up to Kharian, Government has set a budget for the year 2020-21. Moreover, a bridge being built on the Chenab River at Shahbazpur to link Gujrat with Sambrial. This will shorten the distances substantially and will open up links with Mirpur, AJK also.

Keeping in view the above developments, SIAL is positioning itself to handle a much greater passenger and cargo movement. The Capacity Building includes development of airside and land side Infrastructure, induction of additional Ground Handling Equipment and state of the art IT based technology and induction and training of the Human Resource. Moving in this

COMPANY'S PROFILE

direction a high quality new Departure Lounge has been completed on Level II of the International Terminal Building (PTB) which is connected to Avio Bridges for ease of passenger movement. State of the art, high-tech Common User Terminal Equipment and Baggage Reconciliation System (CUTE – BRS) and Flight Information Display System (FIDS) have been installed. The Company lays great emphasis on enhancement of the technical and operational proficiency of its Human Resource. We also give due importance towards the welfare of our personnel, who are the backbone of our Company.

SIAL continues to strive ahead towards increasing and enhancing the services that we provide, to the best of international standards to all those who use our airport – from the exporters/importers, travelling passengers to the airlines that carry them or their goods. Exporters of the 3rd largest exporting hub of Pakistan (Gujranwala, Gujrat and Sialkot) sincerely want to export their products to almost all over the world via SIAL. Although sufficient arrangements for checking the cargo have been provided to meet the international standards but Customs department at SIAL is not equipped with the state of the art CT Explosive Detection System (EDS- HI-SCAN 100800 XCT HEIMANN X-Ray Inspection system). Placement

of subject system will not only address the security concern but will also be helpful in maintaining the quantum of export via Sialkot International Airport. This equipment will enhance the security standard required by the EU for exports and enable exporters to send their cargo without any hindrance directly to Europe. It will also be helpful in eliminating narcotics and drug trafficking. Currently it is being done through K9 unit and physical checking of cargo which cause delay and damages to the exports. We are struggling to place the subject detection system.

With Directors, who are experienced entrepreneurs; the Management, which is professional and dedicated; and Shareholders and investors, who have confidence in our abilities; the Company looks forward to Allah's guidance and protection towards the realization of a bright future.

COMPANY'S INFORMATION

Mian Naeem Javed

Chairman
cm@sial.com.pk

Mr. Muhammad Afzal Shaheen

Vice Chairman
vcm@sial.com.pk

Mr. Baber Iqbal

Chief Executive Officer
ceo@sial.com.pk

Mr. Muhammad Jahangir Khan
BA (LLB), MBA, DTL, FCIS

Company Secretary
cs@sial.com.pk

Mr. Bashir Ahmed
FCMA

Chief Financial Officer
cfo@sial.com.pk

Mr. Nisar Ahmed

Airport Manager
apm@sial.com.pk

LEGAL ADVISOR

Cornelius Lane and Mufti (CL&M)
Lahore

AUDITORS

Deloitte Yousuf Adil,
Chartered Accountants
Lahore

BANKERS

The Bank of Punjab
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan

CORPORATE & REGISTERED OFFICE

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NOTICE OF 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of Sialkot International Airport, Limited is scheduled to be held on Wednesday, October 28, 2020 at 3:30 afternoon at Heritage Club, Aziz Shaheed Road, Sialkot Cantt. – Sialkot, to deal with the following matters:-

Ordinary Business

1. To confirm the minutes of last AGM held on 29-10-2019
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2020 together with the reports of directors and auditors thereon.
3. To consider and approve final cash dividend @7% (i.e. Rs70 per ordinary share of Rs. 1,000/- each) and final bonus shares @10% together with the 1st interim 10% bonus shares (total 20%), as recommended by the Board of Directors for the year ended 30-6-2020.
4. To reappoint auditors for the year ending June 30, 2021 and to fix their remuneration. Being eligible, present auditors (M/S Deloitte Yousuf Adil, Chartered Accountants) have consented to continue as auditor of the company for the year 2020-21.

5. Special Business

To consider and, if thought fit to approve an increase in Authorized Share Capital of the Company (as recommended by Directors in their meeting held on October 2, 2020) and for this purpose to pass the following resolutions as Special Resolutions:-

- a) RESOLVED that the Authorized Share Capital of the Company be increased from Rs. 3,500,000,000/- (Rupees Three billion five hundred million only) divided into 3,500,000 (Three million five hundred thousand only) Ordinary Shares of Rs. 1,000/- each to Rs.5,000,000,000/- (Rupees Five billion only)

divided into 5,000,000 Ordinary Shares of Rs. 1,000/- each.

- b) FURTHER RESOLVED that as and by way of Special Resolution in respect of the increase in Authorized Capital of the Company, Clause V of the Memorandum of Association and Article 4 of the Article of Association of the Company be and are hereby altered to be read as under:

Clause V of the Memorandum of Association

The authorized share Capital of the Company is Rs. 5,000,000,000/- (Rupees five billion only) divided into 5,000,000 (five million only) ordinary Shares of Rs. 1,000/- each with powers to increase, reduce, modify, sub- divide, consolidate or reorganize the share capital of the Company for the time being and to divide the shares in the capital for the time being into several classes, in accordance with the provision of law.

Article 4 of the Articles of Association

The authorized Capital of the Company is Rs. 5,000,000,000/- (Rupees Five billion only) divided into 5,000,000 (Five million only) ordinary Shares of Rs. 1,000/- each

- c) FURTHER RESOLVED that “the Chief Executive Officer and / or the Company Secretary be and is / are hereby authorized to take necessary corporate and legal formalities in respect of the above resolutions”.

BY ORDER OF THE BOARD



Muhammad Jahangir Khan
Company Secretary

Sialkot: October 07, 2020

NOTICE OF 19TH ANNUAL GENERAL MEETING

Notes

1. A member entitled to attend the meeting may appoint another member as his/her proxy to attend the meeting of him/her behalf. The Company must receive names of Proxies in order to be effective not later than 48 hours before the meeting.
2. In view of the pandemic of Covid-19 and directives of the SECP, members can attend and participate in the AGM through video link facility only to avoid large gathering at one place and prevent pandemic outbreak of Coronavirus. Necessary meeting ID and guideline is being sent / emailed along with the notice of AGM.
3. Requests for shares transfers received by the close of business hours (05 PM) on October 22, 2020 will be considered in order. Send any change in address, alongside valid copy of CNIC to Company Secretary at registered office, Sambrial, Sialkot. Tel. 052-6633090 or email at cs@sial.com.pk. This information is necessary for filing of statutory returns of the Company with SECP.
4. To comply with the legal obligations, Members are requested to provide either by email or TCS, copy of their valid CNIC. Please also note that rate of withholding tax in terms of section 150 of the ITO, 2001 would be charged as per prevailing Tax Laws.

5. BOOK CLOSURE

The Member's Register will remain close from October 22, 2020 to October 28, 2020 (both days inclusive).

DIRECTOR'S REPORT

Amongst the core projects, SIAL is the journey of connecting the numerous destinations across the world. Similarly, by putting the customer at the heart of everything, Sialkot International Airport Limited is going beyond exceptional every day.

I have pleasure in presenting the 19th Annual Report of the Company together with Audited Financial Statement and the Auditors Report for the financial year ended 30-06-2020. This report has been prepared under Section 227 of the Companies Act, 2017 and will be placed at the 19th Annual General Meeting scheduled on October 28, 2020.

PERFORMANCE REVIEW 2019-19

SIAL believes in innovation and challenging the conventions to bring about the optimum convenience in the whole course of by air international travelling. Year 2019-20 has witnessed, however, the calamitous emergence of COVID-19 that caused major disruptions to economic activity all across the world. The resultant fall in portfolio inflows, as matter of delight, is likely to be offset by official flows committed by the international community. Moreover, the phased lifting of lockdown restrictions along with declining new COVID-19 cases has raised hopes for normalized business activity in coming months. If this proceeds smoothly, it is expected that the global flight operation will resume its growth momentum that would ultimately boost the flight frequency at SIAL.

We largely thank to Allah The Almighty with the infinite benevolence of which SIAL has been able, irrespective of the circumstances, to maintain its stream of achievements and attainment of set goals:

- By turning the crises of flight suspension for more than 03 months (due to Covid-19 outbreak) into an opportunity, complete repair of existing runway was carried out.
- Construction of Linked taxiway, construction of new Dumbbell @ 22 end and installation of Airfield Lightening System are in phase of completion.

- Establishment of MRO Facility at SIAL, Construction of a 04-05 star hotel are ahead of us. Solar Energy System is in process of installation. Soonest commencement/ completion of work on these projects of chief importance is highly desirable during the coming years.

OPERATIONAL REVIEW

1. Passenger Operations:-

Unavoidable suspension of flight operation for a period of more than 03 months is an abnormal financial crunch for any company dealing in aeronautics services. SIAL has also been amongst the sufferers of the same situation. Resultantly during the period under review, a considerable decrease in total no. of Passengers embarked and passenger flights operated To/from SIAL during 2019 – 20 has been witnessed.

Presently the flight operation has been started partially and is under process of improvement. I hope that the normal schedule of various air carriers will be reinstated shortly. Moreover, new airlines like Uzbek Air, Vision Air and Saudi Airline are planning to start their flight operation to/from SIAL. Discussion with British Airways, Turkish Airways and other potential airlines is also underway.

To make SIAL the first choice of different airlines to start their operation, the State of the Art GHE Services are being offered at attractive rates to all airlines operating via SIAL.

2. Cargo Operation – Safety & Security aspects :-

Being project of preliminary interest for the business community of Sialkot, the vision to have a system of accelerating the movement of cargo become the basis of building an airport on Build, Own and Operate basis. Subsequently the AFU mechanism at SIAL has now been sufficiently equipped with the latest scanning machines and fragile unit. For transporting the Euro bonded cargo, SIAL has been accredited with RA-3 validation.

DIRECTOR'S REPORT

Exporters of the 3rd largest exporting hub of Pakistan (Gujranwala, Gujrat and Sialkot) sincerely want to export their products to almost all over the world via SIAL. Although sufficient arrangements for checking the cargo have been provided but to improve the system, placement of Explosive Detection System (EDS-HI-SCAN 100800 XCT HEIMANN X-Ray Inspection system) is need of the hour. Placement of subject system will not only address the security concern but will also be helpful in maintaining the quantum of export via Sialkot International Airport. This equipment will enhance the security standard required by the EU for exports and enable exporters to send their cargo without any hindrance directly to Europe. It will also be helpful in eliminating narcotics and drug trafficking. Currently it is being done through K9 unit and physical checking of cargo which cause delay and damages to the exports. To address the security concern, narcotics and drug trafficking and increase quantum of export via SIAL to Europe, we are struggling to place the subject detection system.

Pre COVID-19 the average monthly quantum of cargo was quite satisfactory and expanding fast. Conversely, the cargo operation was greatly dropped because of the subject pandemic. However, Irrespective of the worldwide stagnancy in production and movement of air cargo, cargo revenue of SIAL has been registered at Rs. 119.373 million for FY 2019-20 as compared to Rs.129.938 million during corresponding period of last year.

Through proper marketing techniques and by coordinating the work with both of the importers and exporters, maximum efforts are there to achieve excellence in cargo operation. Likewise, discussion with different freight carriers is underway. I hope that the operation of weekly freighters will also be increased accordingly.

PERFORMANCE ANALYSIS 2019-20

SIAL is a brand name in aviation, internationally as well as domestically. Since start of its operations, SIAL has graduated from limited passenger and cargo operations to become the sixth busiest International Airport of the country. Prior to emergence of COVID-19, about 58 flights were weekly operating to/from SIAL on international and domestic route. However, just like other airports of the world including Pakistan, SIAL faced a complete suspension of flight operation from 15 March 2020 to 20 June 2020. Thereafter the flight operation and other aeronautical activities are limping towards normalization.

During the year Company earned before and after tax profit of Rs.1369.562 million and Rs.973.872 million respectively as against Rs.1,590.700 million and Rs.1102.143 million respectively for the previous year.

Dividend

During the year company distributed cash dividend @ 27% and bonus shares (stock dividend) at the rate of 04% of the paid up capital among its shareholders for the year ended June 30, 2019. Interim bonus share @10% for the year ended 30-6-2020 was also approved for the shareholders. This will be adjusted in final dividend, if any.

The operating results of the Company for the year ended 30-06-2020 are summarized as under:-

Items	2019-20 (Rupees in million)	2018-19 (Rupees in million)
Total Revenue	2799.08	2913.00
Profit before tax	1369.56	1590.70
Profit after tax	973.87	1102.14
Earnings per share	330.62	374.17

DIRECTOR'S REPORT

HISTORICAL REVIEW

Despite a large no. of challenges we faced in the past, we achieved a number of important aeronautical, non-aeronautical and technical milestones with exemplary teamwork. SIAL management under the prodigious guidance of BOD has worked tirelessly to minimize the disruption and meet the set objectives. Following table of financial highlights of last six years are self-indicators:

(Rupees are in millions)						
Heads	2020	2019	2018	2017	2016	2015
Total Income	2799.08	2913.00	2742.82	2472.63	2022.47	1084.65
Total Expenses	1429.52	1322.30	1165.96	950.34	751.23	631.53
Profit before Tax	1369.56	1590.70	1576.85	1522.29	1271.24	453.12
Provision for Taxation	395.69	488.56	516.45	501.55	438.32	142.40
Profit after Tax	973.87	1102.14	1,060.40	1,020.74	832.92	310.72
Earnings per Share	330.62	427.97	432.03	415.87	372.97	146.00

DEVELOPMENT PLAN

Other than the restoration and expansion in flights operation, non-aeronautical avenues are also considered as an ancillary mean of business development. Going forward according to master plan for infrastructural developments is the primary point of focus. During materialization of subject plan in the past, ICAO and PCAA rules and directions have been strictly adhered to. Procurement of state-of-art equipment and operational systems is also on the card. For the sake of capacity building, SIAL Staff is always kept updated on all the regulatory and administrative trainings. To ensure advance level of security, SIAL Parameters are continuously monitored through CCTV & Intrusion detection system – the first ever security system at airports in Pakistan. Whereas the business building through quality services

Major projects completed / near to completion are-

- Construction of new Dumbbell, Link Taxiway and complete repair of existing Runway
- Installation of Parameter Intrusion Detection System
- Major repairs done to road infrastructure within SIAL
- Extension of SIAL Secretariat
- Construction of a new Store to go-down and control the inventory
- Solar System

Major projects to be undertaken in the Coming years are-

- Construction of a 04-05 star Hotel by Ramada Plaza
- Medium Level Workshop for instant repair of vehicles and Ground Handling equipment.
- Extension of Arrival Hall in International Terminal Building
- Acquisition of Land for extending the security perimeter and operations needs under section 4 of the Land Acquisition Act, 1894.
- Modern elevation of SIAL
- Establishment of a 04-05 star Hotel

DIRECTOR'S REPORT

FUTURE OUTLOOK

It is predictable that the economy of Pakistan would gain momentum in FY 2021 as uncertainty over the pandemic fades and domestic demand gradually rebounds. While taking about the threats to international economy posed by COVID-19 vs remedial measures, it is very hard to forecast that how long it will take to discover the vaccination or otherwise contain the spread of corona virus.

By acknowledging the circumstances (as a dependent variable) but adopting a commensurate policy, we will strive towards improvement in the overall standards and performance of the Company through ensuring application of best industry standards, corporate best practices, effective cost control measures and increased revenues through both, aeronautical and non-aeronautical sources.

CORPORATE SOCIAL RESPONSIBILITY

As a policy, SIAL is committed to play its part in contributing towards Corporate Social Responsibility. In this regard, the Company lays great emphasis on improving the quality of life of personnel and their families. SIAL's contribution towards benefits of the local community is always active; so is our participation in improvement of the environment. During the year, your Company has distributed a sum of Rs.23.90 million for the following:-

- Employees' welfare through grants and medical aid.
- Employment opportunities to local communities and handicapped.
- Environment protection through tree plantation, road repairs and flood mitigation measures.
- Contributed Rs.10 Million towards Sialkot City Covid-19 Relief Fund.
- Donations to numerous charitable hospitals and organizations throughout the Sialkot District.

- Donations to Government and other privately controlled welfare schools imparting free education for the children of poor families.

APPOINTMENT OF AUDITORS

The existing Auditors of the Company (M/S Deloitte Yousaf Adil Chartered Accountants) will retire and being eligible for reappointment in the forthcoming AGM have offered themselves for reappointment as auditors of the Company for the year 2020-21.

BOARD MEETINGS

Four meetings of the BOD were held during the year 2019-20. Having a large number of directors fixed by the BOD (365) detail of attendance by each of the directors is not being given here. The Board granted leave of absence to those directors who could not attend the Board meetings.

BOARD COMMITTEES

All Committees (2018-19 = 10 and 2019-20 = 14) of the Board of Directors have been constituted and are carrying out their assigned responsibilities diligently.

ACKNOWLEDGEMENT

The Board of Directors of the Company wishes to place on record our gratitude to the Federal Government, Provincial Government (Punjab), Different Quarters at district level, Aviation Division, Federal Board of Revenue, Civil Aviation Authority, FIA (Immigration), ASF, ANF, Customs, Metrological Department, related Banks and Financial Institutions for their continued support and cooperation to the Company, especially in mitigating the devastating outcomes of the outbreak of COVID-19. The Board also appreciates the Company's business partners, the Airlines, Exporters and Importers, Freight Forwarders and related parties for their valuable association with our operations.

DIRECTOR'S REPORT

The Directors sincerely thank the shareholders for posing trust and confidence in the Company. Finally, we would like to express our wholehearted appreciation to the Executives, Officers and staff of the Company for their dedication, zeal and enthusiasm for the continued progress and development of SIAL. These results have been made possible through their untiring efforts. We pray to Allah Almighty to continue to shower his blessings and guidance for the prosperity of our Company and our Nation.

For and on behalf of Board of Directors

A handwritten signature in black ink, appearing to read "Baber Iqbal".

Baber Iqbal
Chief Executive Officer

Sialkot: October 2, 2020

ڈائریکٹرز رپورٹ

کاروباری سماجی ذمہ داری:

پالیسی کے مطابق، سیال کاروباری و سماجی ذمہ داری میں اپنا کردار ادا کرنے کے لئے پرعزم ہے۔ اس تناظر میں، کمپنی عملہ اور ان کے خاندان کے معیار زندگی کو بہترین کرنے پر زور دیتی ہے۔ مقامی آبادی کو فائدہ پہنچانے کی غرض سے سیال ہمیشہ فعال رہا ہے۔ اور اس طرح ماحول میں بہتری کے لئے بھی اپنا کردار ادا کر رہا ہے۔ سال بھر میں آپ کی کمپنی مندرجہ ذیل کاموں کے لئے 25 کروڑ 90 لاکھ روپے کی رقم عطیہ کرتی ہے:

- عطیات اور طبی امداد کے ذریعے ملازمین کی فلاح
- مقامی آبادی اور معذور افراد کے لئے ملازمت کے مواقع
- شجر کاری، سڑکوں کی مرمت اور سیلاب کے تدارک کے اقدامات کے ذریعے ماحول کا تحفظ
- ضلع سیالکوٹ میں رفاہی ہسپتالوں اور متعدد تعلیمی و فلاحی اداروں کے لئے عطیات
- سیالکوٹ سٹی کرونا ریلیف فنڈ میں دس ملین روپے کا عطیہ
- سرکاری و نجی سطح پر کام کرنے والے فلاحی سکولوں کو خطیر رقوم کا عطیہ

آڈیٹرز کی تقرری

کمپنی کے موجودہ آڈیٹرز (میسرز ڈیلوائٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو جائیں گے اور اہل ہونے پر آئندہ سالانہ اجلاس عام میں 2020-2021 کے لئے کمپنی کے آڈیٹرز کی حیثیت سے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔

بورڈ کے اجلاس

سال 2019-2020 میں بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ بورڈ آف ڈائریکٹرز میں کثیر تعداد تعداد میں ڈائریکٹرز (365) ڈائریکٹرز ہونے کی وجہ سے ہر ڈائریکٹرز کی حاضری کی تفصیلات درج نہ کی گئی ہیں۔ بورڈ نے ان ڈائریکٹرز کو غیر حاضری کی رخصت عنایت کی جو بورڈ اجلاس میں مصروفیت کی بنا پر شرکت نہ کر سکے۔

بورڈ کمیٹیاں

بورڈ آف ڈائریکٹرز کی تشکیل کردہ تمام (14) کمیٹیاں اپنی تفویض کردہ ذمہ داریاں خوش اسلوبی ادا کر رہی ہیں۔

اعتراف

کمپنی کے بورڈ آف ڈائریکٹرز وفاق و صوبائی حکومت (پنجاب)، ضلعی سطح پر مختلف کوارٹرز، ایوی ایشن ڈیویژن، فیڈرل بورڈ آف ریوینیو، سول ایوی ایشن اتھارٹی، ایف آئی اے (امیگریشن)، اے ایس ایف، اے این ایف، کسٹمز، میٹروولوجیکل ڈیپارٹمنٹ، متعلقہ بینک اور مالیاتی اداروں کی مسلسل حمایت اور تعاون کے شکر گزار ہیں۔ بورڈ کمپنی کے کاروباری شراکت داروں، ایئر لائنز، برآمد اور درآمد کنندگان، فریٹ فارورڈرز اور متعلقہ فریقین کے گراں قدر وابستگی کے بھی مشکور ہیں۔

ڈائریکٹرز حصص داران کی جانب سے کمپنی میں اعتماد اور بھروسہ کے بھی شکر گزار ہیں۔ آخر میں، ہم ایگزیکٹوز، آفیسرز اور کمپنی کے عملہ کے جذبہ اور انتھک محنت کے بھی مشکور ہیں جن کی وجہ سے سیال کی ترقی کی منازل طے کر رہا ہے۔ یہ نتائج ان کی انتھک محنت کی وجہ سے ہی ممکن ہوئے ہیں۔ ہم اللہ تعالیٰ سے دعاگو ہیں کہ وہ اپنی نعمتیں اسی طرح ہم پر نچھاور کرتا رہے اور ہماری کمپنی اور قوم کی خوشحالی میں رہنمائی کرتا رہے۔

منجانب/برائے بورڈ آف ڈائریکٹرز
سیالکوٹ: 02 اکتوبر 2020



بابر اقبال
چیف ایگزیکٹو

ڈائریکٹرز رپورٹ

تاریخی جائزہ

ماضی میں مختلف مشکلات کی ایک بڑی تعداد کا ہم نے سامنا کیا اس کے باوجود ، ہم نے مثالی ٹیم ورک کے ساتھ متعدد اہم ہوا بازی سے متعلقہ ، ہوا بازی سے غیر متعلقہ اور تکنیکی سنگ میل حاصل کیے۔ سیال بورڈ کی جانب سے عمدہ رہنمائی کے تحت سیال کی انتظامیہ نے خلل کو کم سے کم کرنے اور طے شدہ مقاصد کو پورا کرنے کیلئے انتھک محنت کی ہے۔ جس کے تحت مندرجہ ذیل مالپاتی جھلکیوں کا چارٹ خودیانی کرتا ہے:

2016	2016	2017	2018	2019	2020	تفصیل
1084.56	2022.47	2472.63	2742.82	2913.00	2799.08	مجموئی رقم
631.53	751.23	950.34	1165.96	1322.30	1429.52	مجموئی اخراجات
453.12	1271.24	1522.29	1576.85	1590.70	1369.56	محصول سے قبل منافع
142.40	438.32	501.55	516.45	488.56	395.69	محصولات
310.72	832.92	1,020.74	1,060.40	1102.14	937.87	محصول کے بعد منافع
146.00	372.97	415.87	432.03	427.97	330.62	فی حص منافع

• جو آنے والے سالوں میں بڑے منصوبے شروع کیے جائیں گے وہ مندرجہ ذیل ہیں:

- رمادا پلازہ کمپنی کے ذریعہ 4-5 اسٹار ہوٹل کی تعمیر
- گاڑیوں کی فوری مرمت اور سراز و سامان کو ترتیب دینے کے طریقے کے لئے ایک درمیانیہ درجے کی ورکشاپ۔
- بین الاقوامی ٹرمینل عمارت کے آمدی ہال میں توسیع
- حفاظت کے دائرہ کار اور کارروائی کی ضروریات میں توسیع کے لئے حصول اراضی ایکٹ ، 1894 ء کی دفعہ 4 کے تحت اراضی کا حصول۔
- سیال کی جدت میں اضافہ

مستقبل کی توقعات

جیسا کہ یہ پشین گوئی کی جاتی ہے کہ مالی سال 2021 میں پاکستان کی معیشت زور پکڑے گی اس ہی طرح عالمی وبا اور ملکی طلب میں آہستہ آہستہ کمی واقع ہوگی۔ COVID-19 بمقابلہ انسدادی اقدامات میں بین الاقوامی معیشت کو درپیش خطرات کو لے کر یہ پیش گوئی کرنا بہت مشکل ہے کہ اس ویکسینیشن کو دریافت ہونے میں کتنا وقت لگے گا ، یا دوسری صورت میں کورونا وائرس کے پھیلاؤ پر قابو پانا کتنا وقت لگے گا۔ ہم حالات کو تسلیم کرتے ہوئے (منحصر متغیر کی حیثیت سے) اور ایک متناسب پالیسی اپناتے ہوئے ، سند یافتہ تجارتی ادارے کے دونوں بہترین طریقوں ہوا بازی سے متعلقہ اور ہوا بازی کے غیر متعلقہ ذرائع کو اپناتے ہوئے ، لاگت پر قابو پانے کے مؤثر اقدامات اور آمدنی میں مؤثر اضافے کو یقینی بناتے ہوئے کمپنی کے مجموعی معیار اور کارکردگی میں بہتری لانے کی جدوجہد کریں گے۔

ترقیاتی منصوبہ

پروازوں کی کارروائی میں بحالی اور توسیع کے علاوہ ، ہوا بازی سے غیر متعلقہ وسائل کو بھی کاروبار کی ترقی کا ایک مددگار ذریعہ سمجھا جاتا ہے۔ بنیادی ڈھانچوں کی ترقی کے لئے مرکزی منصوبے کے مطابق آگے بڑھنا توجہ کا اہم مرکز ہے۔ ماضی میں موضوعی منصوبے کو عملی شکل دینے کے دوران ، آئی سی اے او اور پی سی اے اے کے قواعد و ہدایات کی سختی سے پیروی کی گئی ہے۔ جدید ترین آلات اور کارروائی کے نظام کا حصول بھی مقصود پر ہے۔ استعداد کار میں اضافے کے لئے ، سیال عملے کو تمام انضباطی اور انتظامی تربیتوں پر ہمیشہ تازہ تر رکھا جاتا ہے۔ سلامتی کی جدت کی سطح کو یقینی بنانے کے لئے ، سیال حدود کی مسلسل نگرانی سی سی ٹی وی اور انٹروژن ڈیٹیکشن سسٹم کے ذریعے کی جاتی ہے - جو پاکستان میں ہوائی اڈوں پر پہلا سیکیورٹی سسٹم ہے۔ جبکہ معیاری خدمات اور صارفین اور مال بردار جہازوں کے لئے معیاری سہولیات دینا بھی ایک اعلیٰ درجے کا ہدف ہے۔

مکمل کئے گئے / تکمیل کے قریب بڑے منصوبے مندرجہ ذیل ہیں۔

- نئے ڈمبل ، لنک ٹیکسی راستے کی تعمیر اور موجودہ رن وے کی مکمل مرمت
- حدود کے تحفظ اور مداخلت کا پتہ لگانے کے نظام کی تنصیب
- سیال کے اندر سڑک کے ڈھانچے کی اہم مرمت
- سیال کے دفتر میں توسیع
- گودام یا تجارتی سامان پر قابو پانے کے لئے ایک نئے اسٹور کی تعمیر
- شمسی بجلی کے حصول کا نظام

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کے منافعے بالترتیب 1,590,700 ملین اور 11102,143 ملین روپے کے مقابلے میں رواں سال منافع بالترتیب 11369,562 اور 973,872 ملین روپے کمایا۔

منافع منقسمہ

30 جون، 2019 کو اختتام پذیر سال کے لئے اپنے حصص یافتگان کے درمیان نقدی منافعہ 27% کی شرح سے بونس حصص (اسٹاک ڈویڈنڈ) چار فیصد کی شرح سے تقسیم کئے۔ 30.6.2020 پر اختتام پذیر سال کے لئے 10% شرح سے اٹیپریم بونس حصص بھی حصص یافتگان کے لئے منظور کئے گئے تھے۔ اس کو حتمی منافع میں ایڈجسٹ کیا جائے گا، اگر کوئی ہے تو۔

30.6.2020 کو اختتام پذیر سال میں کمپنی کی کارروائی کے نتائج کا خلاصہ درج ذیل بیان کیا گیا ہے:

تفصیل	2019-20 (روپے ملین میں)	2018-19 (روپے ملین میں)
مجموعی سرمایہ	2799.08	2913.00
محصول سے قبل منافع	1369.56	1590.70
محصول کے بعد منافع	973.87	1102.14
فی حصص آمدنی	330.62	374.17

ذریعے برآمدی مقدار کو برقرار رکھنے میں بھی مددگار ثابت ہوگی۔ یہ سازوسامان یورپی یونین کو برآمدات کے لئے درکار حفاظتی معیار میں اضافہ کرے گا اور برآمد کنندگان کو بغیر کسی رکاوٹ کے اپنا سامان براہ راست یورپ بھیجنے کے قابل بنائے گا۔ یہ منشیات اور نشے کی دوا کی تجارت کے خاتمے میں بھی مددگار ثابت ہوگا۔ فی الحال یہ K9 یونٹ اور جہاز کے ذریعے لے جانے والے سامان کی مادی جانچ پڑتال کے ذریعے کیا جا رہا ہے۔ جو برآمدات میں تاخیر اور نقصان کا سبب بن رہا ہے۔ سلامتی کی تشویش، منشیات اور نشے کی دوا کی تجارت سے نمٹنے کے لئے اور سیال کے ذریعے یورپ کو برآمدات کی مقدار میں اضافہ کرنے کے لئے، ہم اس مواد کا سراغ لگانے کے نظام کے لئے جدوجہد کر رہے ہیں۔

COVID-19 سے پہلے جہاز کے ذریعے سامان لے جانے کی اوسطاً ماہانہ مقدار کافی اطمینان بخش تھی اور تیزی سے بڑھ رہی تھی۔ اس کے برعکس، جہاز کے ذریعے سامان لے جانے والی کارروائی اس مذکورہ بالا وبائی بیماری کی وجہ سے بہت تیزی سے کم ہو گئی۔ تاہم، ہوائی جہاز کے ذریعے سامان لے جانے والی پیداوار اور نقل و حرکت میں دنیا بھر میں جمود کی پرواہ کیے بغیر، سیال کی جہاز کے ذریعے سامان لے جانے والی آمدنی گذشتہ سال کے اسی موافق عرصے کے دوران 129.938 ملین روپے کے مقابلے میں مالی سال 2019-2020 کے لئے 119.373 ملین روپے درج کی گئی ہے۔

خرید و فروخت کی مناسب تکنیک اور درآمد کنندگان اور برآمد کنندگان دونوں کے ساتھ کام میں ہم آہنگی کے ذریعے، جہاز کے ذریعے سامان لے جانے والی کارروائی میں برتری حاصل کرنے کے لئے، زیادہ سے زیادہ کوششیں کی جارہی ہیں۔ اسی طرح، مختلف مال برداروں سے بھی بات چیت جاری ہے۔ میں امید کرتا ہوں کہ اس کے مطابق ہفتہ وار کارروائیوں میں بھی اضافہ ہو گا۔

کارکردگی کا تجزیہ 2019-2020

سیال ہوا بازی میں ایک تجارتی نام ہے، بین الاقوامی سطح پر بھی اور مقامی طور پر بھی۔ اپنی کارروائیوں کے آغاز کے بعد سے سیال نے مسافر اور جہاز کے ذریعے سامان لے جانے والی محدود کارروائی سے بڑھ کر ملک کا چھٹا مصروف ترین بین الاقوامی ہوائی اڈہ بن گیا ہے۔ COVID-19 کے ظہور سے قبل، بین الاقوامی اور گھریلو راستوں پر سیال کے لئے / سے تقریباً 58 ہفتہ وار پروازیں چلتی تھیں۔ تاہم، پاکستان سمیت دنیا کے دیگر ہوائی اڈوں کی طرح، سیال کو بھی 15 مارچ 2020 سے 20 جون 2020 کے دوران پروازوں کی مکمل معطلی کا سامنا کرنا پڑا۔ اس کے بعد پروازوں کی کارروائی اور ہوا بازی سے متعلق دیگر سرگرمیاں معمول پر آنے کی راہ پر گامزن ہونے کے لئے سست روی سے آگے بڑھ رہی ہیں۔ کمپنی نے محصول ادا کرنے سے پہلے اور اس کے بعد گذشتہ سال

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کارروائی کا جائزہ

1. مسافر کے لئے کارروائیاں:

ہوا بازی سے متعلق خدمات فراہم کرنے والی کسی بھی کمپنی کے لئے تین ماہ سے زیادہ کی مدت کے لئے ہوائی کارروائی کی ناقابل اجتناب معطلی ایک غیر معمولی مالی بحران ہے۔ سیال بھی اسی طرح کے حالات کا شکار رہا ہے۔ نتیجہ کے طور پر زیر جائزہ عرصے 2019-20 کے دوران ، مسافروں کے سفر کی مجموعی تعداد اور مسافر پروازوں میں قابل غور حد تک کمی واقع ہوئی۔

فی الحال فلائٹ آپریشن جزوی طور پر شروع کیا گیا ہے اور اس میں بہتری کا عمل جاری ہے۔ مجھے امید ہے کہ جلد ہی مختلف ہوائی مال بردار جہازوں کے معمول کا شیڈول دوبارہ بحال کر دیا جائے گا۔ مزید برآں ، نئی ہوائی کمپنیاں جیسے ازبک ایئر ، وژن ایئر اور سعودی ایئر لائن اپنی پروازوں کا عمل سیال سے / کی طرف شروع کرنے کی منصوبہ بندی کر رہی ہیں۔ برٹش ایئرویز ، ترک ایئر ویز اور دیگر ممکنہ ایئر لائنز کے ساتھ بھی بات چیت جاری ہے۔

مختلف ہوائی کمپنیوں کو اپنی کارروائیاں شروع کرنے اور سیال کو اپنا پہلا پسندیدہ انتخاب بنانے کے لیے، نیز سیال کے ساتھ کام کرنے والی دیگر کمپنیوں کو بھیہی پرکشش شرحوں پر اسٹیٹ آف دی آرٹ جی ایچ ای سروسز پیش کی جارہی ہیں۔

2. جہاز کے ذریعے سامان لے جانے والی کارروائی-تحفظ اور حفاظتی پہلو:

سیالکوٹ کی کاروباری برادری کے لئے ابتدائی دلچسپی کا منصوبہ ہونے کی وجہ سے ، جہاز کے ذریعے سامان کی نقل و حرکت کرنے کے نظام کو تیز کرنے کا تصور "ایک ہوائی اڈہ تعمیر کرو اسے اپناؤ اور کارروائی کرو" کے نظریے کی بنیاد بنا ۔ اس سے آگے سیال میں اے ایف یو کا تکنیکی پہلو اب پوری طرح سے جدید ترین جائزہ کار آلات اور فریجائل یونٹ سے لیس ہو چکا ہے۔ جہاز کے ذریعے سامان کی نقل و حمل کے لئے ، سیال کو RA-3 کی توثیق کے ساتھ تسلیم کیا گیا ہے۔

پاکستان کے تیسرے سب سے بڑے برآمدی مرکز (گوجرانوالہ ، گجرات اور سیالکوٹ) کے برآمد کنندگان مخلصانہ طور پر اپنی مصنوعات کو سیال کے ذریعے پوری دنیا میں برآمد کرنا چاہتے ہیں۔ اگرچہ جہاز کے ذریعے سامان لے جانے والی کارروائی کی جانچ پڑتال کے لئے خاطر خواہ انتظامات مہیا کر دیئے گئے ہیں لیکن اس نظام کو بہتر بنانے کے لئے دھماکہ خیز مواد کا پتہ لگانے کا نظام (EDS- HI- (SCAN 100800 XCT HEIMANN X-Ray inspection system)) وقت کی ضرورت ہے۔ اس نظام کی فراہمی نہ صرف سیکورٹی خدشات کو دور کرے گی بلکہ سیالکوٹ بین الاقوامی ہوائی اڈے کے

پوری دنیا میں متعدد منازل مقصود کو جوڑنے کا سفر سیال کے کلیدی منصوبوں میں سے ایک ہے ۔ صارفین کو انتہائی اہمیت فراہم کرتے ہوئے سیالکوٹ انٹرنیشنل ائر پورٹ ہر روز غیر معمولی حد سے آگے جا رہا ہے۔

میں کمپنی کی انیسویں سالانہ رپورٹ برائے مالی سال 2019-2020 کے ہمراہ کھاتوں کی پڑتال شدہ اسٹیٹمنٹ اور آڈیٹرز رپورٹ ازراہ مسرت پیش کرتا ہوں یہ رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت تیار کی گئی ہے اور 28 اکتوبر 2020 کو منعقد ہونے والے انیسویں سالانہ اجلاس عام میں پیش کی جائے گی۔

کارکردگی کا جائزہ برائے سال 2019-20

سیال بین الاقوامی سفر کے مکمل سلسلے میں مناسب ترین سہولیات لانے اور مشکلات کو سہل بنانے پر پورا یقین رکھتا ہے۔ تاہم سال 2019-20 نے دیکھا ہے کہ COVID-19 کا تباہ کن ظہور پوری دنیا کی معاشی سرگرمیوں میں بڑی رکاوٹ کا باعث بن کر سامنے آیا ہے جبکہ یہ خوشی کی بات ہے کہ بین الاقوامی برادری کے ذریعہ کیے جانے والے مالی اقدامات کے نتیجے میں اداروں کے مالی خسارے میں کمی کا امکان ہے ۔ مزید یہ کہ ، COVID-19 کے نئے واقعات میں کمی کے ساتھ لاک ڈاؤن پابندیوں کے مرحلہ وار اٹھانے سے آنے والے مہینوں میں کاروباری سرگرمیاں معمول پر لانے کی امیدوں میں اضافہ ہوا ہے۔ اگر یہ آسانی سے آگے بڑھتا ہے تو ، توقع کی جاتی ہے کہ عالمی پروازوں کا عمل اپنی ترقی کی رفتار دوبارہ شروع کر دے گا جو بالآخر سیال میں ہوائی پروازوں کی تعداد کو بڑھاوا دے گا۔

ہم اللہ تعالیٰ کا ہے انتہا شکر یہ ادا کرتے ہیں جس کی بھلائی کی وجہ سے سیال، حالات سے قطع نظر ، کامیابیوں کے سلسلے کو برقرار رکھنے اور طے شدہ اہداف کے حصول میں کامیاب رہا ہے۔

- COVID-19 کے پھیلنے کی وجہ سے (تین ماہ سے زیادہ) پروازوں کی معطلی کے بحرانوں کو ایک شاندار موقع میں تبدیل کرتے ہوئے اس دوران رن ویز (جہازوں کے دوڑنے والے راستے) کی مکمل مرمت کروائی گئی۔
- ٹیکسی (کرائے کی گاڑی) کے پیوستہ راستے کی تعمیر اور 22 کے اختتام پر نئے ڈمبل کی تعمیر ہوئی اور ہوائی میدان میں روشنی کے نظام کی تنصیب بھی تکمیل کے مراحل میں ہے۔
- سیال میں ایم آر او سہولت کا قیام ، 4-5 اسٹار ہوٹل کی تعمیر ہمارے سامنے ہے۔ شمسی توانائی کے نظام کی تنصیب کا عمل جاری ہے۔ ان منصوبوں پر فوری آغاز / تکمیل آئندہ برسوں کے دوران انتہائی مطلوب ہے۔

FORM 34

THE COMPANIES ACT, 2017 THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2019 [Section 227(2) (f)]

PATTERN OF SHAREHOLDING

PART-I

(Please complete in typescript or in bold block capitals.)

L 10674 of 2000-2001 / 0042545

1.1 Name of the Company

SIALKOT INTERNATIONAL AIRPORT
LIMITED

PART-II

2.1 Pattern of holding of the shares held by the shareholders as at

30.06.2020

2.2. No of shareholders	Shareholdings	Total shares held
112	shareholding from 1 to 100 shares	3,850
165	shareholding from 101 to 500 shares	30,501
56	shareholding from 501 to 1000 shares	39,596
137	shareholding from 1001 to 5000	345,118
289	shareholding from 5001 to 10000	2,072,177
7	shareholding from 10001 to 15000	88,984
4	shareholding from 15001 to 20000	63,019
2	shareholding from 20001 to 25000	44,772
1	shareholding from 45001 to 50000	49,530
1	shareholding from 205001 to 210000	208,041
	(Add appropriate slabs of shareholdings)	
759	TOAL	2,945,588

Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,683,047	91.09
2.3.2 Associated Companies, undertakings and related parties	NIL	NIL
2.3.3 NIT and ICP	NIL	NIL
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions	NIL	NIL
2.3.5 Insurance Companies	NIL	NIL
2.3.6 Modarabas and Mutual Funds	NIL	NIL
2.3.7 Share holders holding 10%	NIL	NIL
2.3.8 General Public		
a. Local	233,978	7.94
b. Foreign	28,563	0.97
2.3.9 Others (to be specified)	-	-

Note: In case there are more than one class of shares carrying voting rights, the information regarding each such class shall be given separately.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SIALKOT INTERNATIONAL

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **Sialkot International Airport Limited** (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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 June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SIALKOT INTERNATIONAL

Auditor's Responsibilities for the Audit of the Financial Statements

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

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:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.



Chartered Accountants

Dated:
Lahore

STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	11,826,971,748	3,080,256,374
Long term security deposits		4,333,105	4,319,305
Long term advances		129,272,653	222,671,150
		11,960,577,506	3,307,246,829
CURRENT ASSETS			
Stores and spares		17,771,555	18,266,349
Trade debts	5	197,140,190	380,452,781
Advances, prepayments and other receivables	6	573,725,110	613,627,536
Income tax refunds due from Government		3,000,565	3,000,565
Post retirement benefit	12.1	33,140,770	-
Other financial assets		3,575,415	-
Cash and bank balances	7	1,438,413,042	1,260,887,241
		2,266,766,647	2,276,234,472
TOTAL ASSETS		14,227,344,153	5,583,481,301
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8	3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	8	2,945,588,000	2,575,298,000
Share premium		-	21,274,800
Surplus on revaluation of property and equipment		8,301,011,094	-
General reserve	9	1,247,519,890	1,004,051,853
Unappropriated profit		516,749,001	816,098,362
		13,010,867,985	4,416,723,015
NON - CURRENT LIABILITIES			
Long term loans	10	58,160,037	11,500,000
Lease liabilities	11	59,210,636	58,240,839
Deferred liabilities	12	172,834,542	190,000,118
Deferred income	13	197,743,840	213,895,701
		487,949,055	473,636,658
CURRENT LIABILITIES			
Trade and other payables	14	185,315,590	98,557,827
Unclaimed dividend		20,858,184	8,271,731
Accrued markup		205,585	-
Current portion of non-current liabilities	15	113,651,035	82,092,530
Provision for taxation		408,496,719	504,199,540
		728,527,113	693,121,628
CONTINGENCIES AND COMMITMENTS	16	-	-
TOTAL EQUITY AND LIABILITIES		14,227,344,153	5,583,481,301

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	17	2,462,808,582	2,609,106,455
Other income	18	336,274,169	303,896,976
Total income		2,799,082,751	2,913,003,431
Administrative and operational expenses	19	(1,028,270,224)	(946,438,174)
Depreciation on property and equipment	4.1	(279,532,610)	(289,230,398)
Depreciation on right of use asset	4.1	(39,654,482)	(25,801,185)
Impairment loss on financial assets	5.2	(59,691,797)	(47,828,689)
		(1,407,149,113)	(1,309,298,446)
Earnings before interest and taxes		1,391,933,638	1,603,704,985
Finance cost	20	(22,371,034)	(13,004,292)
Profit before taxation		1,369,562,604	1,590,700,693
Provision for taxation	21	(395,690,456)	(488,557,745)
Profit for the year		973,872,148	1,102,142,948
Earnings per share - Basic and Diluted	23	330.62	374.17

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
Profit for the year		973,872,148	1,102,142,948
Other comprehensive income:			
Items that will never be reclassified through statement of profit or loss subsequently			
Remeasurement of post retirement benefits obligation		11,718,997	(9,999,824)
Surplus on revaluation of property and equipment		8,301,011,094	-
Related deferred tax		3,398,509	(5,801,345)
Total other comprehensive income		8,316,128,600	(15,801,169)
Total comprehensive income for the year		9,290,000,748	1,086,341,779

The annexed notes from 1 to 33 form an integral part of these financial statements.



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2020

	Share Capital	Share Premium	Surplus on revaluation of property and equipment	General Reserve	Unappropriated Profit	Total
----- Rupees -----						
Balance at July 01, 2018	2,454,439,000	21,274,800	-	728,516,116	962,523,530	4,166,753,446
Profit for the year	-	-	-	-	1,102,142,948	1,102,142,948
Other comprehensive income for the year	-	-	-	-	(15,801,169)	(15,801,169)
Total comprehensive income for the year	-	-	-	-	1,086,341,779	1,086,341,779
Transfer to general reserve (note 9)	-	-	-	275,535,737	(275,535,737)	-
Transaction with owners:						
Dividend for the year ended June 30, 2018 at the rate of Rs. 340 per share	-	-	-	-	(834,509,260)	(834,509,260)
Dividend for fractional bonus shares	-	-	-	-	(1,862,950)	(1,862,950)
Issue of bonus shares	120,859,000	-	-	-	(120,859,000)	-
	120,859,000	-	-	-	(957,231,210)	(836,372,210)
Balance at June 30, 2019	2,575,298,000	21,274,800	-	1,004,051,853	816,098,362	4,416,723,015
Profit for the year	-	-	-	-	973,872,148	973,872,148
Other comprehensive income for the year	-	-	8,301,011,094	-	15,117,506	8,316,128,600
Total comprehensive income for the year	-	-	8,301,011,094	-	988,989,654	9,290,000,748
Transfer to general reserve (note 9)	-	-	-	243,468,037	(243,468,037)	-
Transaction with owners:						
Dividend for the year ended June 30, 2019 at the rate of Rs. 270 per share	-	-	-	-	(695,330,460)	(695,330,460)
Dividend for fractional bonus shares	-	-	-	-	(525,318)	(525,318)
Issue of bonus shares	370,290,000	(21,274,800)	-	-	(349,015,200)	-
	370,290,000	(21,274,800)	-	-	(1,044,870,978)	(695,855,778)
Balance at June 30, 2020	2,945,588,000	-	8,301,011,094	1,247,519,890	516,749,001	13,010,867,985

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Executive Officer


Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,369,562,604	1,590,700,693
Adjustments for:			
Depreciation on property and equipment		279,532,610	289,230,398
Depreciation on Right of use asset		39,654,482	25,801,185
Provision for gratuity		29,769,203	30,956,364
Amortisation of grants		(22,428,937)	(22,087,291)
Finance cost		22,371,034	13,004,292
Impairment loss on financial assets		59,691,797	47,828,689
Property and equipment - written off		4,107,801	797,410
Gain on sale of property and equipment		(7,803,869)	(3,619,614)
Accrued markup		205,585	-
Return on bank deposits		(152,541,582)	(100,164,282)
Operating cash flows before movement in working capital		252,558,124	281,747,151
Decrease / (increase) in current assets			
Stores and spares		494,794	(1,064,404)
Trade debts		123,620,794	(84,414,346)
Advances, prepayments and other receivables		36,887,033	(47,878,879)
Increase / (decrease) in current liabilities			
Trade and other payables		86,757,763	9,081,158
		247,760,384	(124,276,471)
Cash generated from operations		1,869,881,112	1,748,171,373
Income tax paid		(501,918,054)	(473,857,730)
Finance cost paid		(22,371,034)	(14,264,749)
Gratuity paid		(69,610,374)	(50,146,268)
Net cash from operating activities		1,275,981,650	1,209,902,626
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(653,230,679)	(192,778,793)
Proceeds from disposal of property and equipment		11,189,856	4,664,974
Long term security deposits		(13,800)	-
Long term advances		93,398,497	(222,671,150)
Return on bank deposits		152,314,685	102,072,187
Net cash used in investing activities		(396,341,441)	(308,712,782)
C. CASH FLOWS FROM FINANCING ACTIVITIES	22		
Long term loan - obtained		79,525,195	-
Long term loan - paid		(11,500,000)	(58,089,436)
Lease rentals paid		(86,870,278)	(49,057,941)
Dividend paid		(683,269,325)	(838,718,391)
Net cash used in financing activities		(702,114,408)	(945,865,768)
Net increase in cash and cash equivalents (A+B+C)		177,525,801	(44,675,924)
Cash and cash equivalents at beginning of the year		1,260,887,241	1,305,563,165
Cash and cash equivalents at end of the year	7	1,438,413,042	1,260,887,241

Non-cash financing activities

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The annexed notes from 1 to 33 form an integral part of these financial statements.



Chief Executive Officer



Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

1. GENERAL INFORMATION

Sialkot International Airport Limited (the Company) was incorporated on June 12, 2001 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) in Pakistan as a public limited Company to construct Sialkot Airport in District Sialkot on build, own and operate basis. Sialkot Airport is spread over an area measuring more than 1,032 acres. The Company's operations include providing all airport related facilities to local and foreign airlines, providing handling services to aircrafts and to provide cargo related facilities. The airport and the registered office of the Company is situated Sambrial, Sialkot in the province of Punjab.

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (accounting period beginning on or after)
IFRS 16 Leases, this standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
IFRS 14 – Regulatory Deferral Accounts - IFRS 14 was originally issued in January 2014 and applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016. However, SECP has adopted from July 01, 2019.	July 01, 2019
Amendments to IAS 19 'Employee Benefits' - Plan amendment, curtailment or settlement	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Effective date
(accounting period
beginning on or after)

2.3 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.4 Adoption of new accounting standards with impact on the financial statements

The following changes in standards have taken place effective from July 01, 2019:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

2.4.1 IFRS 16 - Leases

IFRS 16 Leases replaced IAS 17 Leases, the former lease accounting standard and became effective for periods beginning on or after January 01, 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets; and lease liabilities representing its obligation to make lease payments.

Moreover, IFRS-16 is not applicable on all lease agreements of Company because most of contracts period are not more than a year. In contrary to this, there are some contracts having period more than 1 year but lessor and lessee both have right to terminate the contract. These are also not qualify for lease under IFRS 16.

The Company has adopted IFRS 16 by applying the modified retrospective approach according to which Company is not required to restate the prior years results. However, the adoption of IFRS 16 does not have any material impact on the Company except the certain vehicles and equipments classified as leased vehicles and equipments in prior year are now classified as Right-of-Use Asset.

3. BASIS OF MEASUREMENT

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention. The financial statements except for cash flow information have been prepared under the accrual basis of accounting.

3.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies and reported amounts of assets, liabilities, incomes and expenses. Estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments 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 underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 the current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, employee retirement benefits, impairment of financial assets and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3.3 Staff retirement benefits - gratuity

The Company operates a funded gratuity scheme covering all its employees who have completed minimum qualifying period. The cost of providing benefit is determined using the projected unit credit method, with actuarial recommendation as of reporting date. The projected unit credit method is based on assumptions stated in note 12.1.

3.4 Taxation

-Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, under provisions of Income Tax Ordinance, 2001.

-Deferred

Deferred tax is recognized by using the balance sheet liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax assets is recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is 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 (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.5 Property and equipment

Property and equipment except freehold land and capital work in progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and capital work in progress are stated at cost less any identified impairment loss.

Depreciation is charged using the straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in note 4.1

Depreciation on additions to property and equipment is charged from the date the asset is available for use while no depreciation is to be charged from the date the asset is disposed-off.

The assets' residual values and useful lives are reviewed at each financial year end, adjusted if impact on depreciation is significant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

The Company assesses at each balance sheet date whether there is any indication that an item of property and equipment may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is charged to statement of profit or loss. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying value over their estimated remaining useful lives.

Major renewals and improvements are capitalized. Gains and losses on disposal of assets are recognized as income or expense respectively.

3.6 Borrowings

Loans and borrowings are recorded at the proceeds received, net of transaction cost. Finance cost is accounted for on an accrual basis and is included in long term loans to the extent of the amount remaining unpaid. All mark-up, interest and other charges relating to long term loans are capitalized in accordance with International Accounting Standard (IAS) 23 "Borrowing Cost" and when the asset is substantially completed the company ceases to capitalize finance cost.

3.7 Stores and spares

Stores and spares in the closing stock includes aqua foam used in fire fighting equipment, diesel and other stock items in the stationery. Stores and spares are valued at lower of cost or net realizable value.

Cost of stores and spares is determined by First in First out (FIFO) method.

3.8 Trade debts and other receivables

Trade debts and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less allowance for ECL.

3.9 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at the spot rate. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange differences are charged to statement of profit or loss.

3.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.11 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.11.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost.

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

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries trade debts, Advances, prepayments and other receivables and cash and bank balances at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI). As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. As at reporting date, the Company does not hold any equity instruments designated as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). As at reporting date, the Company does not possess any financial assets classified as at FVTPL.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade debts, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.11.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

3.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to it and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis.

3.13 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and at bank, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.14 Accrued and other liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.15 Government Grants

Government grants are recognized at their fair values, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

3.16 Deferred grant

This represents deferred grant on subsidized rate loan obtained under the Refinance Scheme from State Bank of Pakistan. The loan carries markup at a rate of 3%. Loan obtained under the Refinance Scheme is recognized at its fair value which would be the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. The differential between the loan proceeds and fair value of the loan is recorded as deferred grant. The deferred grant is amortized over the term of the loan.

3.17 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made for the amount of obligation. Provisions are adjusted to reflect the current best estimate at each reporting date.

3.18 Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenue is recognized to the extent that it is probable that any future economic benefit associated with the item of revenue will flow to the Company, the revenue can be reliably measured, regardless of when the payment is being made and the costs are identifiable and can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

The Company has applied IFRS 15 Revenue from contracts with customers for accounting of revenue. The core principle of the IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company's recognition of revenue is as follows:

- Revenue from rendering of services is recognized as the services are rendered to the customers /once the services are rendered to the customers and invoiced at each month end.
- Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- Rental income is recognized on a time proportionate basis.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting profits for the year for the effects of all dilutive potential ordinary shares.

3.20 Leases

The Company is the lessee:

3.20.1 Right-of-use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

3.20.2 Lease Liability

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

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

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

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

	Note	2020 Rupees	2019 Rupees
4. PROPERTY AND EQUIPMENT			
Operating fixed assets			
- Owned	4.1	10,898,848,394	2,743,496,090
- Right of use asset	4.1	270,578,629	176,750,758
Capital work in progress	4.3	657,544,725	160,009,526
		11,826,971,748	3,080,256,374

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

4.1 Operating fixed assets for the year ended June 30, 2020

Particulars	Cost				Accumulated depreciation			Net book value as at June 30, 2020	Rate		
	At July 01, 2019	Revaluation Adjustment	Additions / (disposal) during the year	Written off during the year	At June 30, 2020	At July 01, 2019	For the year / (on disposal)			Written off during the year	
	----- Rupees -----								%		
Owned											
Freehold land	166,759,906	8,301,011,094	-	-	8,467,771,000	-	-	-	8,467,771,000	-	
Buildings and roads	1,821,220,326	-	12,129,210	(4,311,899)	1,829,037,637	91,294,303	560,552,679	(1,946,281)	649,900,701	5	
Runway, taxiway and apron	1,035,175,491	-	-	-	1,035,175,491	51,758,688	537,518,517	-	589,277,205	5	
External electrical works	189,816,911	-	-	-	189,816,911	9,484,708	85,099,036	-	94,583,744	5	
Apron lighting and air side electrical works	284,288,152	-	-	-	284,288,152	9,408,282	230,015,351	-	239,423,633	10	
Furniture and fixture	97,988,773	-	40,838,400	(1,212,466)	137,614,707	12,254,122	38,342,954	(1,032,923)	49,564,153	10 - 33	
Leveling and grading	66,770,443	-	-	-	66,770,443	611,510	66,158,933	-	66,770,443	10	
Machinery and equipment	1,235,846,744	-	4,136,950	(976,716)	1,221,348,980	73,068,545	750,430,859	(616,274)	822,883,130	10	
			(17,657,998)								
equipment	129,912,465	-	17,394,421	(2,946,285)	144,347,701	18,668,232	37,111,823	(1,744,087)	54,023,068	10 - 33	
			(12,900)			(12,900)					
Electricity installation	63,417,808	-	4,027,000	-	67,444,808	5,483,943	47,670,607	-	53,154,550	10	
Vehicles	22,133,364	-	-	(56,200)	14,982,837	1,463,184	19,741,558	(56,200)	14,068,081	20	
			(7,094,327)			(7,080,461)					
Computers	11,579,608	-	77,127,504	(927,225)	87,779,887	6,037,093	8,771,584	(927,225)	13,881,452	73,898,435	
	5,124,909,991	8,301,011,094	155,653,485	(10,430,791)	13,546,378,554	2,381,413,901	2,381,413,901	(6,322,990)	2,647,530,160	10,898,848,394	
			(24,765,225)			(7,093,361)					
Right of use assets											
Vehicles	78,435,642	-	34,656,550	-	104,452,650	16,989,118	35,620,417	-	47,342,114	57,110,536	20
			(8,639,542)			(5,267,421)					
Equipment	147,494,891	-	102,197,924	-	249,692,815	22,665,364	13,559,358	-	36,224,722	213,468,093	10
	225,930,533	-	136,854,474	-	354,145,465	39,654,482	49,179,775	-	83,566,836	270,578,629	
			(8,639,542)			(5,267,421)					

The cost of full depreciated assets that are still in use is Rs. 768,098,858 (2019: 690,292,838)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

4.1.1 Operating fixed assets for the year ended June 30, 2019

Particulars	Cost		At July 01, 2018	At June 30, 2019	Accumulated depreciation		Net book value as at June 30, 2019	Rate %
	At July 01, 2018	Additions / (disposal) during the year			Written off during the year	For the year / (on disposal)		
----- Rupees -----								
Owned								
Freehold land	166,759,906	-	-	166,759,906	-	-	166,759,906	-
Buildings and roads	1,776,144,006	45,198,410	(122,090)	1,821,220,326	470,051,079	90,521,887	1,260,667,647	5
Runway, taxiway and apron	1,032,298,937	287,655,4	-	1,035,175,491	485,829,829	51,688,688	497,656,974	5
External electrical works	189,816,911	-	-	189,816,911	75,608,190	9,490,846	104,717,875	5
Apron lighting and air side electrical works	284,288,152	-	-	284,288,152	218,869,844	11,145,507	54,272,801	10
Furniture and fixture	92,776,981	5,696,557	(484,765)	97,988,773	29,317,525	9,470,542	59,645,819	10 - 33
Leveling and grading	66,770,443	-	-	66,770,443	59,481,889	6,677,044	61,151,0	10
Machinery and equipment	1,218,800,267	17,672,777	(215,300)	1,235,846,744	663,153,293	87,709,439	485,415,885	10
		(41,000)				(41,000)		
Office and electric equipment	119,446,312	11,283,356	(817,203)	129,912,465	25,925,949	11,541,549	92,800,642	10
Electricity installation	63,417,808	-	-	63,417,808	42,249,275	5,421,332	15,747,201	10
Vehicles	28,218,794	241,000	-	22,133,364	23,697,382	2,370,606	2,391,806	20
		(6,326,430)				(6,326,430)		
Computers	10,774,030	858,228	(52,650)	11,579,608	5,631,276	3,192,958	2,808,024	33
	5,049,512,547	83,826,882	(1,692,008)	5,124,909,991	2,099,815,531	289,230,398	2,743,496,090	
		(6,326,430)				(6,326,430)		
Right of use assets								
Vehicles	48,725,772	31,729,940	-	78,435,642	23,168,977	13,426,151	42,815,225	20
		(2,020,070)				(974,711)		
Equipment	46,986,824	100,508,067	-	147,494,891	1,184,324	12,375,034	133,935,533	10
	95,712,596	132,238,007	-	225,930,533	24,353,301	25,801,185	176,750,758	
		(2,020,070)				(974,711)		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

4.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	"Total area (kanals)"
Mouza Jagut	Airport Operations	168.90
Mouza Hamboka	Airport Operations	490.85
Mouza Dhanawali	Airport Operations	2,524.10
Mouza Jajjay	Airport Operations	95.65
Mouza Rao Ghan	Airport Operations	175.00
Mouza Sorage	Airport Operations	1,474.05
Mouza Sadowale	Airport Operations	234.00
Mouza Chak Jaita	Airport Operations	243.10
Mouza Miran Pindi	Airport Operations	144.15
Mouza Majra Kalan	Airport Operations	330.75
Mouza Chak Khana	Airport Operations	718.70
Mouza Kalokay	Airport Operations	571.10
Mouza Majra Khurd	Airport Operations	877.95
Shamlot Area	Airport Operations	208.35
Mouza Jagut (Additional)	Airport Operations	4.59

4.2.1 The Company had revalued its freehold land at June 11, 2020. The revaluation has been carried out by F.K.S Building Services an independent valuer not connected to the Company and is on the panel of Pakistan Banks Association as 'Any Amount' asset valuer. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. Fair market rate of the land was assessed through physical inspection of property and market inquiry about location.

4.2.2 Forced Sales Value (FSV) of land is Rs. 7,197.60 million as at June 30, 2020.

4.2.3 Details of the Company's revalued assets and information about fair value hierarchy, as at June 30, 2020 are as follows.

	Level 1	Level 2	Level 3	Total
Land - freehold	-	8,467,771,000	-	8,467,771,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	At July 01, 2019	Additions	Capitalization	At June 30, 2020
	----- Rupees -----			
4.3 Capital work in progress				
Medium level workshop-specialist vehicles	4,155,881	12,423	(4,168,304)	-
Link Taxiway and Dumbbel of Runway	97,844,311	421,449,936	-	519,294,247
Prefeb TGS shed	17,687,547	-	(17,687,547)	-
Scanning room at cargo shed	1,538,406	316,580	(1,854,986)	-
Perimeter Intrusion Detection System	8,586,413	67,392,091	(75,978,504)	-
Airfield lighting and Associated Works	6,556,364	23,909,099	-	30,465,463
Car Parking Enterence Booth	-	748,435	(748,435)	-
Main Enterence Road	-	13,654,374	-	13,654,374
Supply & Installation of upgradation of CCTV System	-	6,654,397	(6,654,397)	-
Culvert at Main Enterence	-	3,938,749	(3,938,749)	-
GHE Shed at Cargo (Footings)	-	908,435	(908,435)	-
Extention of PTB	-	176,575	-	176,575
Installation of GHE Shed	-	25,583,569	-	25,583,569
Public Wash Room near car Parking	-	5,257,917	-	5,257,917
Rremoval & refixing of GHE Shed.	-	1,601,050	-	1,601,050
Renovation of Amenities build- ing(Ground and 1st Floor)	-	2,635,198	(2,635,198)	-
Main Store at SIAL	-	18,895,287	-	18,895,287
HT Rooms at Main Enterence Gate	-	1,724,842	-	1,724,842
Extention of SIAL Secretariat	-	11,403,522	-	11,403,522
Renovation of Mess & Rooms at ASF Camp	-	890,110	(890,110)	-
Rectification work of Apron	-	27,061,683	(27,061,683)	-
Renovation of Offices ,ASF Camp & Washrooms	-	268,667	(268,667)	-
Un-allocated capital expenditure	23,640,604	24,723,447	(18,876,172)	29,487,879
	160,009,526	659,206,386	(161,671,187)	657,544,725

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	At July 01, 2018	Additions	Capitalization	At June 30, 2020
	----- Rupees -----			
4.3.1 Capital work in progress				
Medium level workshop-specialist vehicles	1,425,981	2,729,900	-	4,155,881
Link Taxiway and Dumbbel of Runway	-	97,844,311	-	97,844,311
Amenities building	14,932,886	6,592,174	(21,525,060)	-
Lower deck loader	2,366,852	4,478,574	(6,845,426)	-
Supply and installation of cold storage for cargo shed	2,202,600	1,875,000	(4,077,600)	-
Prefeb TGS shed	6,665,514	11,022,033	-	17,687,547
Check post (11) at air side	457,529	1,328,138	(1,785,667)	-
Paver work in front of cargo shed	-	380,950	(380,950)	-
Pipe culvert near check post no. 12 at air side	1,017,904	233,663	(1,251,567)	-
Up-raising of fence 8 to 12 feet separating land side/ airside	1,117,556	286,015	(1,403,571)	-
Guard Room at Airside	-	523,393	(523,393)	-
Culvert at Main Gate	-	3,559,424	(3,559,424)	-
Electrical Room in Prefeb Export Shed	-	174,904	(174,904)	-
Tuff pavers at MDS	-	396,092	(396,092)	-
Scanning Room at Cargo Shed	-	1,538,406	-	1,538,406
Perimeter Intrusion Detection System	-	8,586,413	-	8,586,413
Airfield lighting and Associated Works	-	6,556,364	-	6,556,364
Accommodation for ASF personnel	-	524,586	(524,586)	-
Un-allocated capital expenditure	20,870,794	18,236,929	(15,467,119)	23,640,604
	51,057,616	166,867,269	(57,915,359)	160,009,526

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
5. TRADE DEBTS			
Considered goods - unsecured			
Receivable from airlines	5.1	324,165,413	451,460,177
Receivable against bonded trucking		-	142,530
Airport development fee receivable		2,067,393	2,323,446
Receivable from PSO		2,198,292	1,468,978
Receivable against CIP lounge		130,034	143,179
		328,561,132	455,538,310
Less: Allowance for expected credit losses	5.2	(131,420,942)	(75,085,529)
		197,140,190	380,452,781
5.1	These receivables are non-interest bearing and are generally on 15 to 60 days terms.		
5.2	Allowance for expected credit losses		
Opening balance as at July 1		75,085,529	27,411,795
Charge for the year		59,691,797	47,673,734
		134,777,326	75,085,529
Write offs during the year		3,356,384	-
Closing balance as at June 30		131,420,942	75,085,529
5.3	The aging of trade debts is as follows:		
One month		65,116,896	205,788,531
Two to six months		88,938,129	99,476,867
More than six months		174,506,107	150,272,912
		328,561,132	455,538,310
6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to employees - considered good		7,925,789	13,970,072
Advances to suppliers - considered good		26,044,176	18,218,180
Advance income tax		475,365,545	478,607,835
Advance payments against letters of credit		16,589,132	45,716,964
Prepayments		7,587,271	1,508,674
Accrued income		4,086,704	3,859,807
Other receivables		30,566,796	38,250,976
Punjab sales tax - receivable from airlines		5,559,697	13,495,028
		573,725,110	613,627,536
7. CASH AND BANK BALANCES			
Cash in hand		500,000	500,000
Cash at banks in			
- current accounts		24,401,755	20,176,442
- saving accounts	7.1	613,511,287	740,210,799
- term deposit receipts	7.2	800,000,000	500,000,000
		1,438,413,042	1,260,887,241

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
7.1	These carry mark up at the rate of 7.5% to 7.60% (2019: 11.36% to 11.39%) per annum.		
7.2	Term deposit receipts		
	Maturity upto		
	- Meezan Bank Limited	-	200,000,000
	- The Bank of Punjab	July 14, 2020	700,000,000
	- Habib Bank Limited	July 28, 2020	100,000,000
		800,000,000	500,000,000

7.2.1 These deposits carry mark up at the rate of 7.50% to 9.72% (2019: 11.63% to 11.75%) per annum.

8. SHARE CAPITAL

2020	2019		2020 Rupees	2019 Rupees
3,500,000	3,500,000	Authorized		
		Number of shares		
		Ordinary shares of Rs. 1,000/- each	3,500,000,000	3,500,000,000
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 1,000/- each		
2,067,738	2,067,738	- fully paid in cash	2,067,738,000	2,067,738,000
18,729	18,729	- fully paid other than in cash	18,729,000	18,729,000
859,121	488,831	- fully paid bonus shares	859,121,000	488,831,000
2,945,588	2,575,298		2,945,588,000	2,575,298,000
		Movement in issued, subscribed and paid up capital		
2,575,298	2,233,227	Opening balance	2,575,298,000	2,454,439,000
370,290	342,071	Bonus Shares issued during the year	370,290,000	120,859,000
2,945,588	2,575,298		2,945,588,000	2,575,298,000

Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.

9. GENERAL RESERVES

This reserve is created as per the decision of the Board. It is credited with an amount equivalent to 25% of net profit for the year from unappropriated profits at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
10. LONG TERM LOANS			
- Civil Aviation Authority (CAA) - secured	10.1	10,000,000	20,000,000
- The Bank of Punjab (BOP) - secured	10.2	79,525,195	-
		89,525,195	20,000,000
- Deferred mark-up on loan from CAA	10.1	1,500,000	3,000,000
		91,025,195	23,000,000
Current portions of long term loans:			
- From CAA		10,000,000	10,000,000
- From BOP		21,365,158	-
		31,365,158	10,000,000
- Deferred mark-up on loan from CAA		1,500,000	1,500,000
		32,865,158	11,500,000
Long term portion		58,160,037	11,500,000

10.1 The Chief Executive of Pakistan vide his secretarial letter number 1803-DS (A-2)/2001 dated February 3, 2001, accorded approval to construct airport on build, own and operate (BOO) basis and a loan of Rs. 230 million at the rate of 3% per annum was approved by the Government of Pakistan for acquisition of land etc.

Accordingly, the loan agreement has been entered into with Civil Aviation Authority, a statutory body under the Government of Pakistan established through Pakistan Civil Aviation Authority Ordinance, 1982. As per the terms and conditions of agreement, loan is payable in ten years after the grace period of 5 years. Loan is secured through pari passu charge on assets of the Company.

10.2 This Facility was obtained through BOP against Refinancing Facility of State Bank of Pakistan at the rate of 3% for payment of wages and salaries to the workers and employees of the Company due to COVID-19.

	Note	2020 Rupees	2019 Rupees
11. LEASE LIABILITIES			
Present value of minimum lease payments	11.1	139,996,513	110,239,966
Less: current portion		(80,785,877)	(51,999,127)
		59,210,636	58,240,839

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

11.1 Finance lease liabilities are payable as follows.

	2020		2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	-----Rupees-----		-----Rupees-----	
Not later than one year	92,988,063	80,785,877	59,276,819	51,999,127
Later than one year but not later than five years	64,000,736	59,210,636	63,679,471	58,240,839
	156,988,799	139,996,513	122,956,290	110,239,966
Less: finance costs allocated to future periods	(16,992,286)	-	(12,654,042)	-
	139,996,513	139,996,513	110,302,248	110,239,966

11.2 These represent liabilities against vehicles and equipment acquired under finance lease arrangements from Meezan Bank Limited, The Bank of Punjab, Habib Bank Limited and Bank Al Habib Limited. The leases are priced at three month KIBOR plus 0.70% to 1.5% (2019: three month KIBOR plus 0.70%), three months KIBOR plus 0.45% (2019: three month KIBOR plus 0.6%), three month KIBOR plus 0.5% (2019: three month KIBOR plus 0.5%) and three month KIBOR plus 0.75% (2019: three month KIBOR plus 0.75% per annum) spread per annum respectively. Lease rentals are payable in 36 monthly installments.

11.3 The Company intends to exercise its option to purchase the above assets on completion of lease period.

	Notes	2020 Rupees	2019 Rupees
12. DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	12.1	-	18,593,403
Less: current portion	15	-	(18,593,403)
		-	-
Deferred taxation	12.2	172,834,542	190,000,118
		172,834,542	190,000,118
12.1 Staff retirement benefits - gratuity			
a) The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation		115,295,068	136,231,995
Fair value of plan assets		(148,435,838)	(117,638,592)
Liability recognized		-	18,593,403
Asset recognized		(33,140,770)	-
b) Amount charged to the statement of profit or loss account during the year:			
Current service cost		28,444,424	29,706,108
Interest expense		15,778,100	9,099,299
Interest income		(14,453,320)	(7,849,043)
		29,769,204	30,956,364

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Notes	2020 Rupees	2019 Rupees
c) Total remeasurments chargeable to the other comprehensive income:			
Remeasurement of plan obligation and assets:			
Experience adjustments			
- defined benefit obligation		(13,968,474)	7,860,855
- plan assets		2,249,477	2,138,969
		(11,718,997)	9,999,824
d) Changes in net liability			
Balance at the beginning of the year		18,593,403	27,783,483
Charge for the year		29,769,204	30,956,364
Employer contributions		(69,610,374)	(49,433,868)
Benefits payable transferred to current liability		(174,006)	(712,400)
Remeasurement changes chargeable to other comprehensive income - net		(11,718,997)	9,999,824
		(33,140,770)	18,593,403
e) Movement in the defined benefit obligation:			
Opening liability		136,231,995	111,928,518
Current service cost		28,444,424	29,706,108
Interest expense		15,778,100	9,099,299
Benefits paid		(51,016,971)	(21,650,385)
Benefits payable transferred to current liability		(174,006)	(712,400)
Remeasurement changes chargeable to other comprehensive income		(13,968,474)	7,860,855
		115,295,068	136,231,995
f) Movement in the fair value of plan assets			
Opening assets		117,638,592	84,145,035
Employer contributions		69,610,374	49,433,868
Benefits paid		(51,016,971)	(21,650,385)
Interest income		14,453,320	7,849,043
Remeasurement changes chargeable to other comprehensive income		(2,249,477)	(2,138,969)
		148,435,838	117,638,592

- g)** The latest actuarial valuation was carried out at June 30, 2020 by Anwar Associates using projected unit credit (PUC) method. The following significant assumptions have been used for calculation of liability:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	2020	2019
Discount rate used for interest cost in statement of profit or loss charge	14.25%	9.00%
Discount rate used for year end obligation	9.25%	14.25%
Expected rate of salary increase in future years	8.25%	13.25%
Expected return on plan assets - per annum	9.25%	9.00%
The average duration of the defined benefit obligation is	14 Years	8.38 Years

- h) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Change in assumptions	Increase in assumptions Rupees	Decrease in assumptions Rupees
Discount rate	100 bps	100,162,171	133,357,286
Salary growth rate	100 bps	221,727,188	99,681,582

- i) The expected contribution to defined benefit obligation for the year ending June 30, 2021 will be Rs. 18.6 million.

	2020 Rupees	2019 Rupees
12.2 Deferred taxation		
Opening balance	190,000,118	209,894,456
Charged to statement of profit or loss	(13,767,067)	(25,695,683)
Charged to comprehensive income	(3,398,509)	5,801,345
	172,834,542	190,000,118

	At July 01, 2019	Recognized in profit or loss	Recognized in other com- prehensive income	At June 30, 2020
Deferred tax liability comprise of:	----- Rupees -----			
Deferred tax liability due to				
Accelerated tax depreciation	192,572,539	(16,096,229)	-	176,476,310
Leased assets and related liabilities	19,953,237	17,915,576	-	37,868,813
	212,525,776	1,819,347	-	214,345,123
Deferred tax asset due to				
Provision for doubtful debts	(22,525,658)	(15,586,414)	-	(38,112,072)
Staff retirement benefits - gratuity	-	-	(3,398,509)	(3,398,509)
Net deferred tax liability	190,000,118	(13,767,067)	(3,398,509)	172,834,542

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	At July 01, 2018	Recognized in profit or loss	Recognized in other com- prehensive income	At June 30, 2019
	----- Rupees -----			
Deferred tax liability due to				
Accelerated tax depreciation	210,460,645	(17,888,106)	-	192,572,539
Leased assets and related liabilities	13,732,812	6,220,425	-	19,953,237
	224,193,457	(11,667,681)	-	212,525,776
Deferred tax asset due to				
Provision for doubtful debts	(8,497,656)	(14,028,002)	-	(22,525,658)
Staff retirement benefits - gratuity	(5,801,345)	-	5,801,345	-
	(14,299,001)	(14,028,002)	5,801,345	(22,525,658)
Net deferred tax liability	209,894,456	(25,695,683)	5,801,345	190,000,118

	Notes	2020 Rupees	2019 Rupees
13 DEFERRED INCOME			
Government grant	13.1	182,999,050	204,499,050
Deferred grant	13.2	5,935,430	-
Other grant	13.3	8,809,360	9,396,651
		197,743,840	213,895,701
13.1 Government grant			
Balance at beginning of the year	13.4	204,499,050	225,999,050
Transferred to statement of profit or loss		(21,500,000)	(21,500,000)
Balance at end of the year		182,999,050	204,499,050
13.2 Deferred grant			
Balance at beginning of the year		-	-
Deferred grant recognized on subsidized rate long term loan	13.5	6,277,076	-
Transferred to statement of profit or loss		(341,646)	-
Balance at end of the year		5,935,430	-
13.3 Other grant			
Balance at beginning of the year	13.6	9,396,651	9,983,942
Transferred to statement of profit or loss		(587,291)	(587,291)
Balance at end of the year		8,809,360	9,396,651

13.4 The Company has received a grant from Export Development Fund (EDF) amounting to Rs.180 million and from Prime Minister of Pakistan Rs.250 million for the purpose of construction of airport. These grants have been deferred and are being amortized over 20 years i.e. the useful life of assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

- 13.5** This represents deferred grant on subsidized rate loan obtained under the Refinance Scheme from State Bank of Pakistan. The loan carries markup at a rate of 3%. Loan obtained under the Refinance Scheme is recognized at its fair value which would be the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. The differential between the loan proceeds and fair value of the loan is recorded as deferred grant. The deferred grant is amortized over the term of the loan.
- 13.6** The Company has received a grant aggregating to Rs. 11.745 million for the purpose of construction of Masjid at the airport. This amount has been deferred and is being amortized over 20 years i.e. the useful life of the asset.

14. TRADE AND OTHER PAYABLE			
Payable to suppliers and contractors		40,584,917	634,402
Due to related party	14.1	-	123,200
Accrued expenses		47,731,969	45,176,178
Retention money payable		41,819,557	14,473,943
Advance rent received		2,250,624	1,884,049
Payable against retirement of LC		10,724,400	-
Other payable		42,204,123	36,266,055
		185,315,590	98,557,827

- 14.1** This amount is payable to Sialkot Dry Port Trust.

15. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of:			
Long term loans	10	32,865,158	11,500,000
Staff retirement benefits	12	-	18,593,403
Lease liabilities	11	80,785,877	51,999,127
		113,651,035	82,092,530

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

Letters of guarantee issued in favour of Collector of Customs		11,988,874	25,039,316
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During the year Punjab Revenue Authority (PRA) issued show cause notice dated September 11, 2019 for alleged failure to comply with Punjab Sales Tax on Services Act 2012 and Punjab Sales Tax on Services (withholding) Rules, 2012 and 2015. The Company submitted reply against the said show cause notice and provide requested documents to the Additional Commissioner, PRA Gujranwala. The Additional Commissioner passed order against the company and ordered to pay Rs. 355.35 million. The Company, being aggrieved, filed appeal against the said order before the Commissioner (Appeals) Punjab Revenue Authority. The appeal is pending adjudication. On the advice of legal advisor the management is hopeful that the case will be decided in favour of the Company. Hence no provision is recorded in these financial statements.

16.2 Commitments

Letters of credit for machinery and equipments		111,375,780	55,547,378
For civil works and equipments		355,450,058	502,314,569

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Notes	2020 Rupees	2019 Rupees
17. REVENUE			
Landing income		351,265,789	335,136,372
Infrastructure development income		451,253,040	514,371,865
Security charges income		451,253,040	515,710,016
Embarkation fee		580,266,375	606,032,259
Handling income	17.1	260,178,789	285,921,682
Cargo income	17.2	119,373,291	129,937,937
Fire and rescue facility income		35,126,616	33,513,678
Passenger and cargo related services		75,435,709	60,376,367
Housing income		31,205,698	29,362,545
Alternate airport facility income		-	262,097
Cute facility income		61,632,566	63,390,864
Avio bridge income		45,817,669	35,090,773
		2,462,808,582	2,609,106,455
17.1 Handling income			
Aircraft handling income		230,675,662	253,306,712
Ground handling income		29,503,127	32,614,970
		260,178,789	285,921,682
17.2 Cargo income			
Cargo handling income		119,395,446	129,347,034
Cargo bonded trucking income:		430,851	7,318,537
Bonded trucking freight and loading/unloading charges		(453,006)	(6,727,634)
		(22,155)	590,903
		119,373,291	129,937,937
18. OTHER INCOME			
Rental income	18.1	124,939,119	144,371,481
Return on bank deposits		152,541,582	100,164,282
Amortization of grant		22,428,937	22,087,291
Advertisement income		6,932,365	10,088,445
Gain on sale of property and equipment		7,803,869	3,619,614
Recovery from written off investment	18.2	11,000,000	-
Exchange gain		1,538,536	18,314,105
Miscellaneous income		9,089,761	5,251,758
		336,274,169	303,896,976

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Notes	2020 Rupees	2019 Rupees
18.1 RENTAL INCOME			
Car parking income		54,300,455	67,659,073
Tuck shop income		21,512,363	27,795,826
Buildings and space rent		37,535,047	34,453,386
Fuel throughput income		9,383,190	9,086,961
Canteen income		2,208,064	4,216,663
Metro radio cab income		-	1,159,572
		124,939,119	144,371,481
18.2	The Company received Rs. 11 million on liquidation of Innovative Housing Finance Limited , a fully written of investment.		
19. ADMINISTRATIVE AND OPERATIONAL EXPENSES			
Staff salaries and allowances	19.1	504,423,283	423,922,383
General repairs and maintenance	19.2	123,763,786	126,220,995
Utilities		104,500,249	102,115,219
Directors meeting fee		114,400,000	97,450,000
Vehicles and operational equipment's fuel		19,355,782	17,791,422
Vehicles and operational equipment's repair and maintenance		11,950,433	11,988,890
Calibration charges		2,540,131	7,504,677
Insurance		9,730,750	8,295,957
Cleaning and sweeping		8,224,017	8,939,193
Entertainment and Functions		7,105,042	6,617,620
Advertisement and business development		14,670,050	9,231,390
Fee and subscription		7,702,064	11,132,589
Printing and stationery		4,464,517	4,161,060
Communication		3,222,078	3,827,735
Corporate social responsibility	19.3	23,902,822	47,456,146
Legal and professional	19.4	3,019,182	3,426,616
Travelling and conveyance		4,319,362	3,374,720
Loss on written off operating fixed assets		4,107,801	797,410
SITA cute charges		39,086,182	31,446,872
Security expenses		8,166,063	9,075,926
Miscellaneous		9,616,630	11,661,354
		1,028,270,224	946,438,174

19.1 This includes Rs. 29.76 million (2019: Rs 26.64 million) in respect of post retirement benefits.

19.2 This includes repair work of runway amounting to Rs. 31.525 million .

19.3 Donations made to parties exceeding 500,000 Rs. includes following

- Government Pilot School Sialkot
- Al Khidmat School System
- Al Sheikh Jinnah Memorial (Welfare) Teaching Hospital
- Child & Social Development Organization
- Healthcare Radiology Centre
- Heart Care Welfare Society
- Kidney Patients Welfare Association
- Pak Welfare Foundation
- Seerat Study Center
- Sialkot Chamber of Commerce & Industry
- Sialkot Medical Complex

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Notes	2020 Rupees	2019 Rupees
19.4	This includes auditor's remuneration as detailed below:		
	- Statutory audit	1,100,000	1,000,000
	- Taxation services	450,000	685,000
	- Out of pocket expenses	110,000	100,000
	- Sales tax on services	77,500	50,000
		1,737,500	1,835,000
20.	FINANCE COST		
	Mark up on		
	- Long term loans	1,147,231	1,585,526
	- Liabilities against assets subject to finance lease	20,227,649	10,785,916
	Bank charges	996,154	632,850
		22,371,034	13,004,292
21.	TAXATION		
	Current		
	- for the year	408,496,719	504,199,540
	- prior years	960,804	10,053,888
		409,457,523	514,253,428
	Deferred	12.2	(13,767,067)
		395,690,456	488,557,745
21.1	The income tax assessment of the Company has been finalized up to and including tax year 2019 under deemed assessment of Income Tax Ordinance, 2001 and is subject to minimum tax and alternate corporate tax.		
		2020 Rupees	2019 Rupees
21.2	Reconciliation between accounting profit and tax expense		
	Accounting profit before tax	1,369,562,604	1,590,700,693
	Corporate tax rate	29%	29%
	Tax on accounting profit	397,173,155	461,303,201
	Impact of income chargeable at lower rate	(7,246,469)	(3,922,276)
	Impact of super tax	-	32,999,663
	Prior year adjustment	960,804	10,053,888
	Others	4,802,966	(11,876,731)
	Tax expense	395,690,456	488,557,745

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

22 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Cash flows			
	Opening	Availed during the period	Repaid during the period	Closing
	----- Rupees -----			
For June 30, 2020				
Long term loans - secured	23,000,000	79,525,195	(11,500,000)	91,025,195
Liabilities against assets subject to finance lease	110,239,966	136,854,474	(86,870,278)	160,224,162
	133,239,966	216,379,669	(98,370,278)	251,249,357
For June 30, 2019				
Long term loans - secured	81,089,436	-	(58,089,436)	23,000,000
Liabilities against assets subject to finance lease	27,059,900	132,238,007	(49,057,941)	110,239,966
	108,149,336	132,238,007	(107,147,377)	133,239,966

	Notes	2020 Rupees	2019 Rupees
23. EARNINGS PER SHARE			
Profit after taxation for the year		973,872,148	1,102,142,949
Weighted average number of ordinary shares outstanding		2,945,588	2,945,588
Earnings per share (Basic and diluted)		330.62	374.17

23.1 There is no dilutive effect on the basic earnings per share of the Company.

23.2 Prior year earnings per share have been restated due to issuance of bonus shares during the year.

24. REMUNERATION AND OTHER BENEFITS TO KEY MANAGEMENT PERSONNEL

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- Rupees -----					
Remuneration	8,493,384	-	33,899,304	7,482,668	-	33,463,708
Meeting fee	400,000	114,000,000	-	350,000	97,100,000	-
Leave encashment	259,704	-	460,695	245,000	-	632,618
Gratuity	1,566,762	-	6,547,222	-	-	9,863,493
Total	10,719,850	114,000,000	40,907,221	8,077,668	97,100,000	43,959,819
Number	1	285	18	1	277	24

24.1 The Chief Executive Officer has also been provided with Company maintained car and furnished accommodation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

25. RELATED PARTY TRANSACTIONS

Related parties comprise associated undertaking, sponsors, directors of the Company and key management personnel of the Company. Detail of balances and transactions with related parties have been disclosed in the relevant notes of the financial statements, whereas major transactions executed with related parties during the year are as follows:

Name of related parties	Nature of relationship	Nature of transaction	2020 Rupees	2019 Rupees
Daddy D Pro	"Common directorship / partner"	Advertisement income	123,084	369,252
Beauty & Beauty Worldwide	"Common directorship / partner"	Advertisement income	81,004	-
Sialkot Dry Port Trust	"Common directorship / partner"	Bonded trucking services	2,881,127	6,165,733
Infenity	"Common directorship / partner"	Advertisement income	30,259	-
Kent Housing Society	"Common directorship / partner"	Advertisement income	412,384	-
United Leather Industries	"Common directorship / partner"	Advertisement income	555,456	277,728
Candino Group of Industries	"Common directorship / partner"	Advertisement income	-	241,962
Buraq Surgical	"Common directorship / partner"	Advertisement income	265,104	265,104
Dr. Frigz International (Pvt.) Limited	"Common directorship / partner"	Advertisement income	542,832	407,124
F.S Candino Industries	"Common directorship / partner"	Advertisement income	473,398	145,176
Eltek Instruments (Pvt.) Limited	"Common directorship / partner"	Advertisement income	104,147	159,904
"Mecca Tennaries (Pvt.) Limited"	"Common directorship / partner"	Advertisement income	-	462,800
Elmed Instruments (Pvt.) Limited	"Common directorship / partner"	Advertisement income	407,123	271,416
M.A Arain brothers (Pvt.) Limited	"Common directorship / partner"	Advertisement income	353,472	265,104
Ennoble International (Pvt.) Limited	"Common directorship / partner"	Advertisement income	138,865	-
Yousaf Leather Wear (Pvt) Limited	"Common directorship / partner"	Advertisement income	201,983	267,188
Pakistan Cargo services (Pvt.) Limited	"Common directorship / partner"	Advertisement income	265,098	147,270
Muskan Advertisement Co.	"Common directorship / partner"	Contribution to provident fund	144,000	-
Wne Brother	"Common directorship / partner"	Contribution to provident fund	324,016	-
Sigma Shoes	"Common directorship / partner"	Contribution to provident fund	127,981	-
Sialkot International Airport - Gratuity Fund	Retirement benefit plan	Contribution to provident fund	69,610,374	49,433,868
Taj Mazhar Welfare Trust	"Common directorship / partner"	Contribution to provident fund	7,100,000	-

All transactions with related parties have been carried out on mutually agreed terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

26. FINANCIAL RISK MANAGEMENT

26.1 The Company's principal financial liabilities comprise long-term financing, interest/mark-up accrued on loans and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has trade debts, loans and advances, cash and bank balances and long-term deposits that arrive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, and price risk), credit risk and liquidity risk.

26.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

26.2.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Weighted Average effective rate of interest	Less than 1 Year	1 - 5 years	More than 5 years	Total
----- Rupees -----					
2020					
Long term loans	3%	32,865,158	58,160,037	-	91,025,195
Trade and other payables		183,064,966	-	-	183,064,966
Lease Liabilities		80,785,877	59,210,636	-	139,996,513
Unclaimed dividend		20,858,184	-	-	20,858,184
		317,574,185	117,370,673	-	434,944,858

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Weighted Average effective rate of interest	Less than 1 Year	1 - 5 years	More than 5 years	Total
----- Rupees -----					
2019					
Long term loans	3%	11,500,000	11,500,000	-	23,000,000
Trade and other payables		96,673,778	-	-	96,673,778
Lease Liabilities		51,999,127	58,240,839	-	110,239,966
Unclaimed dividend		8,271,731	-	-	8,271,731
		168,444,636	69,740,839	-	238,185,475

26.3 Interest rate risk

Interest rate risk arises in situation where interest rates rise due to inflationary trends and result in a negative impact on projected income. The implication of increase in interest cost are more sever where large portion of the project cost is financed through debt. The Company has financed a major portion through equity and grant. Moreover, major portion of borrowed funds carries variable interest rates as such the risk is minimized as shown in the table below.

As at June 30, 2020	Amount (Rupees)	Interest rate	Maturity period (years)	Percentage of portfolio
Floating Interest rate:				
Liabilities against assets subject to finance lease				
Habib Bank Limited	31,681,901	One year KIBOR + 0.5%	3	12.8%
Meezan Bank Limited	24,816,214	Three month KIBOR + 0.70%	3	13%
The Bank of Punjab	94,113,762	Three month KIBOR + 0.45%	3	38.0%
Bank Al Habib Limited	109,037	Three month KIBOR + 0.75%	3	0.0%
Fixed Interest Rate				
Long term laon from:				
Civil Aviation Authority	11,500,000	3%	1	4.6%
Bank of Punjab	85,460,625	3%	2	35%

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. 2,476,815 (2019: Rs. 1,333,022). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

As at June 30, 2019	Amount (Rupees)	Interest rate	Maturity period (years)	Percentage of portfolio
Floating Interest rate:				
Liabilities against assets subject to finance lease				
Al Baraka Bank (Pakistan) Limited	10,434,455	One year KIBOR + 50%	2	7.8%
Meezan Bank Limited	47,949,661	Three month KIBOR + 0.70% to 1.5%	2	36%
Bank Al Habib Limited	49,063,490	Three month KIBOR + 0.60%	3	37%
Long term laon from: National Bank of Pakistan	2,854,643	Three month KIBOR + 0.75%	2	2%
Fixed Interest Rate				
Long term laon from: Civil Aviation Authority	23,000,000	3%	2	17%

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. 1,333,022 (2018: Rs. 268,157). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

26.4 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge an obligation.

Expected Credit Loss on financial assets are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The maximum exposure to credit risk at the reporting date is as follows:

	2020 Rupees	2019 Rupees
Trade debts	197,140,190	380,452,781
Advances and other receivables	48,138,986	69,575,883
Bank balances	1,437,913,042	1,260,387,241
	1,683,192,218	1,710,415,905

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

This risk is limited because the counter parties are banks and majorly airlines with reasonably high credibility.

Bank Balances

As at June 30, 2020	Credit rating	Maturity period (years)	2020 Rupees	2019 Rupees
Interest / mark-up bearing financial assets				
The Bank of Punjab	A1+	0 to 1	984,335,512	560,031,419
Bank Alfalah Limited	A1+	0 to 1	202,037,444	258,729,208
Meezan Bank Limited	A1+	0 to 1	7,306,290	212,017,324
Habib Bank Limited	A1+	0 to 1	183,172,523	221,494,518
National Bank Of Pakistan	A1+	0 to 1	7,840,315	6,079,233
Bank Al Habib Limited	A1+	0 to 1	3,073,657	2,030,660
Bank Islami Pakistan Limited	A1	0 to 1	50,001,000	-
Others	-	0 to 1	146,301	138,879
			1,437,913,042	1,260,521,241
The aging of trade debts is as follows:				
One month			65,116,896	205,788,531
Two to six months			88,938,129	99,476,867
More than six months			174,506,107	150,272,912
			328,561,132	455,538,310

26.5 Foreign exchange risk management

Foreign exchange risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is not materially exposed to foreign currency risk on assets and liabilities as the Company does not have any financial assets and liabilities in foreign currency.

26.6 Fair value measurement of financial assets

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. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard 13, 'Fair Value Measurement: Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

26.7 Financial instruments by category

The accounting policies for financial instrument have been applied for the items below:

	2020	2019
	Rupees	Rupees
Assets as per statement of financial position - at amortized cost		
Bank balances	1,437,913,042	1,260,387,241
Trade debts	197,140,190	380,452,781
Advances and other receivables	48,138,986	69,575,883
	1,683,192,218	1,710,415,905
Liabilities as per statement of financial position- at amortized cost		
Long term loans	91,025,195	23,000,000
Lease Liabilities	139,996,513	110,239,966
Trade and other payables	183,064,966	96,673,778
Unclaimed dividend	20,858,184	8,271,731
	434,944,858	238,185,475

27. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises of all components of equity (i.e. share capital, share premium, general reserve and unappropriated profit). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

	2020	2019
28. NUMBER OF EMPLOYEES		
Total number of permanent employees at year end	815	771
Average number of permanent employees during the year	799	735

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

29. IMPACT OF COVID-19

During the year, the World Health Organization declared Corona Virus (COVID-19) as public health emergency on January 30, 2020 and a pandemic on March 11, 2020. COVID-19 has spread throughout the country and measures were taken by the Government of Pakistan to reduce the spread of the COVID-19 that includes lockdown of businesses, suspension of flight operations, intercity movements and cancellation of major events.

Due to lockdown the flight operations remained suspended for the period from the March 14, 2020 to June 19, 2020. In last week of June the Company has resumed operations with limited number of flights.

Since, the flight operations remained suspended during the above mentioned period, the revenue during this period could not be generated. Further, the Company has obtained a subsidized long term loan of Rs. 85.46 million for payment of wages and salaries of workers. There is no other impact of Covid-19 on any other line item of the financial statements.

30. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 02-10-2020 proposed a final cash dividend of Rs 70 per share (2019: Rs. 270 per share) and bonus shares at the rate of 20% - including 1st interim bonus shares at the rate of 10% (2019 at the rate of 4%) of the paid up capital for the year ended June 30, 2019, for approval of the members at the annual general meeting to be held on _____. These financial statements do not reflect these appropriations and the proposed dividend payable.

31. NON-CASH FINANCING ACTIVITIES

	Note	2020 Rupees	2019 Rupees
Acquisition of right of use asset - vehicles and equipments	4.1	136,854,474	132,238,007
Issuance of bonus shares	8	370,290,000	120,859,000

32. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 02, 2020 by the Board of Directors of the Company.

33. GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee.


Chief Executive Officer


Director

FORM OF PROXY

Form of Proxy – 19th Annual General Meeting

The Company Secretary

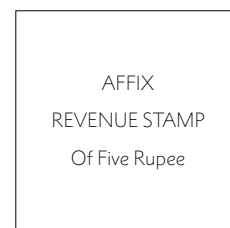
Sialkot International Airport Limited
Sambrial, Sialkot.

Folio # _____

No. of shares held _____

I/We _____ of _____ being a Member (s) of Sialkot International Airport Limited hold _____ ordinary shares hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my /our Proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Wednesday, October 28, 2020 at 30:30 p.m. in **The Heritage Club, Aziz Shaheed Road, Sialkot Cantt Sialkot** and at every adjournment thereof.

Signed this _____ day of _____ 2020.



(Signature of witness 1)

Name of Witness:

CNIC No:

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Address: _____

(Signature of witness 2)

Name of Witness:

CNIC No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Address: _____

IMPORTANT

This Form of proxy, duly completed and signed, must be received at the registered office of the company, at Sambrial, Sialkot Pakistan, not less than 48 hours before the time of holding the meeting.

If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

Signature of the shareholder

(Signature appended above should agree with the specimen signatures registered with the Company)

پراکسی فارم

پراکسی فارم-انیسواں سالانہ اجلاس عام

کمپنی سیکریٹری

سیالکوٹ انٹرنیشنل ایئر پورٹ لمیٹڈ
سمبڑال، سیالکوٹ

فولیو نمبر _____

حامل حصص کی تعداد _____

میں /ہم _____ سیالکوٹ انٹرنیشنل ایئر پورٹ لمیٹڈ کے

رکن/اراکین کی حیثیت سے _____ عمومی حصص کا/کے حامل ہوں/ہیں۔ اور محترم/محترمہ/جنا

بہ _____ کو یا ناکامی کی صورت میں _____

_____ کو میری /ہماری جگہ پر کمپنی کے انیسویں سالانہ اجلاس عام منعقدہ ہیریچ کلب،

عزیز شہید روڈ، سیالکوٹ کینٹ، سیالکوٹ بروز بدھ 28 اکتوبر 2020ء بوقت 03:30 شام

دستخط شدہ: _____

پانچ روپے ریونیو سٹامپ چسپاں کریں

2. گواہ:
دستخط
:CNIC No

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پتا

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اہم:

1. حسب ضابطہ مکمل اور دستخط شدہ یہ پراکسی فارم کمپنی رجسٹرڈ آفس واقع سمبڑال سیالکوٹ پاکستان میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل وصول ہوجانا چاہئے۔

2. اگر کوئی رکن ایک سے زائد پراکسی مقرر کرتا ہے اور پراکسی کا ایک سے زائد دستاویزات جمع کراتا ہے تو یہ تمام پراکسی دستاویزات غیر فعال تصور کئے جائیں گے۔

1. گواہ:
دستخط
:CNIC No

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پتا

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دستخط

(مذکورہ بالا دستخط کمپنی میں رجسٹرڈ نمونہ کے دستخط سے میل کھانے چاہئیں)



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