



TRANSPARENCY INTERNATIONAL-PAKISTAN

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Defence Housing Authority, Karachi.
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Website: www.transparency.org.pk

April 07, 2020

Chairman/Managing Director
Pakistan International Airlines
Head Office
KARACHI.

RE: Alleged Violation of Public Procurement Rules 2004 in award of
Renovation Contract of over US\$ 25 Million USA & Scribe Hotel Paris,
France, as well as irregular leasing out Roosevelt Hotel NY &
Scribe Hotel, Paris, by Mr. Najib Sami – MD PIA Investments Ltd.

Dear Sir,

Transparency International Pakistan had received a complaint relating to the above subject. Accordingly, letter dated March 13, 2020, containing summary of the allegations was addressed to you in my capacity as Vice Chairman, TI Pakistan. Copies of this letter were also forwarded to various authorities for further necessary action as deemed appropriate under their mandate.

PIAIL has responded by its reply/parawise comments dated April 1, 2020 supported by relevant documents (Annexure 'A' to 'K'), wherein, all the allegations have been denied being false, concocted and baseless.

I have given due consideration to the factual and legal aspects of the matter. My irresistible conclusion is that the complainant has sent complaint just to malign the institution namely PIAIL. The reply submitted by Dr. Najeeb Samie, MD, PIA Investments Ltd., is positive and plausible. The annexed documents fully support his contentions.

In view of the above, in my considered opinion no further action on the complaint is required and it has been filed. This is for your information and record please.

With regards,

(Justice (R) Dr. Ghous Muhammad)
VICE CHAIRMAN

- cc: Secretary to Prime Minister, Islamabad
- cc: Chairman, PAC, National Assembly, Islamabad
- cc: DG, FIA, Islamabad
- cc: Secretary Aviation, Islamabad
- cc: Registrar, Supreme Court of Pakistan, Islamabad



PIA INVESTMENTS LIMITED

April 1, 2020

Mr. Justice (R) Dr. Ghous Muhammad
Vice Chairman
Transparency International-Pakistan
4-C, Mezzanine Floor
Khayaban-e-Ittehad, Phase-VII
Defence Housing Authority
Karachi.

RE: Alleged Violation of Public Procurement Rules 2004 in award of Renovation Contract of over US\$ 25 Million USA & Scribe Hotel Paris, France, as well as irregular leasing out Roosevelt Hotel NY & Scribe Hotel, Paris, by Mr. Najib Sami – MD PIA Investments Ltd.

Dear Sir,

Reference Transparency International Pakistan ("TIP")'s letter dated March 13, 2020, addressed to Chairman/Managing Director, Pakistan International Airlines, on the subject (Annex 'A').

In the above referenced letter, TIP has stated that it had received a complaint on the violation of Public Procurement Rules 2004 in award of renovation contract of over US\$25 million USA & Scribe Hotel Paris, France, as well as irregular leasing out Roosevelt Hotel NY & Scribe Hotel Paris, by Mr. Najib Sami, MD, PIA Investments Ltd. (A copy of the said complaint was not attached to the said letter).

In this regard, PIA Investments Limited ("PIAIL")'s parawise comments/response to the complainant's allegations are given below against each :

S. No.	Allegation	PIAIL's comments/response
1.	Pakistan International Airlines Corporation Limited (PIACL) is incorporated as Public Sector Company Limited, with company registration office Karachi on December 04, 2015. Pakistan International Airlines Corporation Limited governed under by the Companies Ordinance, 1984 as well as Public Sector Companies	Since, this pertains to Pakistan International Airlines Corporation Limited ("PIACL"), hence, PIAIL cannot offer any comment.

	(Corporate Governance) Rules, 2013 of SECP. Under PSC Rules 2013, key appointments such as CEO/MD, Procurements, Investments etc. are regulated by Federal Government e.q. key appointments under Estacode Rules on qualification, experience, minimum / maximum age, remuneration, Procurement under PPRA Rules 2004, and investments loans under Finance Rules, and display of annual reports on the website of PIA etc.	
2.	Pakistan International Airlines Investment Limited (PIAIL) is a subsidiary of PIAC that owns two hotels, one is Roosevelt Hotel at New York, USA & other is Scribe Hotel at Paris, France,	It is correct that PIAIL is a subsidiary of PIACL which owns two hotels i.e. Roosevelt Hotel, New York and Hotel Scribe, Paris.
3.	Since Mr. Najib Sami is appointed as MD of PIAIL about ten years ago, PIAIL has been violating most of the Public Sector Companies (Corporate Governance) Rules, 2013.	PIAIL is neither a Public Sector Company nor a company registered in Pakistan. It is not engaged in any commercial activity in Pakistan). PIAIL is a private limited company registered at British Virgin Islands ("BVI"), and is governed and regulated under the BVI laws (Annex 'B'). The Public Sector Companies (Corporate Governance) Rules 2013 have no application to PIAIL. (Annex 'C').
4.	According to Federal Government Policy, retirement age is 60 years and in PIA also 60 years is retirement age except for Pilots. But in gross violation of Federal Government retirement age limit policy, PIACL & PIA Boards have	PIAIL is a private limited company, registered at BVI, and is regulated under the BVI laws. Dr. Samie's employment with PIAIL is strictly in accordance with the Company's corporate

	many times amended retirement age limit of MD for retaining Mr. Najib Sami, from 60 to 63, and then from 63 to 65, and then from 65 to 70, and even now he is still allowed to work as MD PIAIL.	documents, and in accordance with the laws of BVI. (Annex 'D').
5.	Mr. Najib Sami as MD PIAIL has blatantly violated and ignored compliance of many SECP/Federal Government rules, especially Audit of Accounts of PIAIL, as well as hoisting of PIAIL Annual Reports, on the website of PIAIL.	Dr. Samie has neither violated nor ignored compliance with any applicable Rules. PIAIL's audited annual accounts are consolidated with PIAIL's accounts. PIAIL every quarter submits its accounts to PIAIL (Annex 'E'). PIAIL's accounts are subject to Audit by AGP, which also includes PIAIL's annual accounts. The annual audited accounts of PIAIL are available on its website which includes PIAIL's accounts.
6.	Mr. Najib Sami has ordered not to make PIAIL website, so as to successfully avoid hoisting of Annual Reports on the website of Pakistan International Airlines Investment Limited. Mr. Najib Sami has also managed to hide all details of PIAIL for PIA website also. In fact, he has made PIAIL an opaque body, as no detailed about its existence, notification, Board of Directors, Annual Meeting, Board Meetings here available on website.	It is NOT correct that Dr. Samie has ordered not to make PIAIL website. PIAIL as a shareholder, and a Public Limited Company, has placed PIAIL's both Hotels at its website, and all the information regarding Roosevelt and Scribe Hotels is available on the said website (Annex 'F').
7.	In last ten years or so, family members of hundreds of PIA and PIAIL directors, Ministers, Friends, Politicians, and their friends have been facilitated by PIAIL for fee stay in Roosevelt Hotel at New York, USA and Scribe Hotel at	It is NOT correct. This is a baseless allegation. It is false to your knowledge. It is vehemently denied (Annex 'G'). The BVI lawyer has rendered the following opinion in the matter :

	<p>Paris, at the cost of exchequer, under MD's orders. In return to these favours, all of them have managed to keep 71 years old Mr. Najib Sami as illegal MD of PIAIL since last 10 years. Complete Audit of last 10 years of hotel guest will disclose the free or concessionary rooms allowed, which may be in thousands of nights.</p>	<p>"Section 109 of the BVI Business Companies Act 2004 ("Act") states :</p> <ul style="list-style-type: none"> i) the business and affairs of a company shall be managed by, or under the direction or supervision of, the directors of the company. ii) the directors of a company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the company. iii) Sub-sections (i) and (ii) are subject to any modifications or limitations in the memorandum or articles. <p>None of the Act, the Memorandum of the Company or the Articles contains any provision requiring that the power to appoint or nominate the Company's managing director be exercised by members of the Company, let alone by an unrelated third party such as the Government of Pakistan."</p>
8.	<p>The Board of Directors of PIA as well as PIAIL has failed to perform their responsibilities, defined in Public Sector Companies (Corporate Governance) Rules, 2013. Responsibilities powers and functions of the Board. -</p> <p>(1) The directors of a Board shall be persons who, in opinion of the Government, shall assist the Public Sector Company to achieve its principal objective and the Board</p>	<p>The Board of Directors of PIAIL and its shareholders had and continue to discharge their fiduciary responsibilities in the best interest of the Company and in accordance with the laws applicable to PIAIL.</p> <p>1. PIAIL is neither a Public Sector Company nor is it registered in Pakistan. It's a BVI entity, and governed under its laws.</p>

shall accordingly exercise its powers and carry out its fiduciary duties with a sense of objective judgment and in the best interest of the company. This provision shall apply to all directors, including ex officio directors.

(2) The Board shall evaluate the candidates based on the fit and proper criteria and the guidelines specified by the Commission for appointment to the position of the chief executive and recommended at least three candidates to the Government for its concurrence for appointment of one of them as chief executive of the Public Sector Company, except where the chief executive is nominated by the Government. On receiving concurrence or nomination of the Government, as the case may be, the Board shall appoint the chief executive in accordance with the provisions of the Ordinance. The Board shall also be responsible for development and succession planning of the chief executive.

(10) Quarterly and Monthly Financial Statements and Annual Reports. - Every Public Sector Company shall, within one month of the close of first, second and third quarter of its year of account, prepare a profit and loss account for, and balance sheet as at the end of, that quarter, whether audited or otherwise, for the Board's approval. Annual Report including annual financial statements shall be placed on the Public Sector Company's website:

(11) The Board shall ensure compliance with policy directions received from Government from

2. Dr. Najeeb Samie joined PIAIL as General Manager in 1987, later promoted as Director and finally assigned the responsibilities of M.D. based on his 30 years of excellent performance with PIAIL, whereby, a \$40 million equity is today worth billions of dollars.

	time to time. (On Appointment of CEO and Finance Notifications by Ministry of Finance for PSE.)	
9.	<p>Since last ten years, hundreds of millions of dollars contract for renovation of two Hotels have been awarded, without following PPRA Rules 2004. A visit to PPRA website reveals that PIA is posting all Tenders, Planning, Evaluation Reports, and Contracts awarded on PPRA website, but no tender or details are posted on PPRA website by Pakistan International Airlines Investment Limited.</p>	<p>It is NOT correct.</p> <p>The Roosevelt Hotel is owned by RHC Operating, LLC. ("RHC"). RHC is a 100% subsidiary of PIAIL which is registered in USA.</p> <p>Hotel Scribe, Paris is owned by Minhal France, S.A. ("MFSA"). MFSA is also a subsidiary of PIAIL. MFSA is registered in France.</p> <p>Both RHC and MFSA are governed and regulated under the respective laws of the place of their incorporation. Therefore, the Laws and Rules quoted are inapplicable to PIAIL and its subsidiaries.</p>
10.	<p>Leasing contracts for the two hotels have also been awarded by MD Mr. Najib Sami worth over \$500 million, without open bidding in violation PPRA Rules 2004, which under PPRA Regulation Rule No.50, is mis-procurement.</p>	<p>The allegation is NOT correct.</p>
11.	<p>The Audit of Accounts of Pakistan International Airlines Investment Limited, which owns Roosevelt Hotel NY and Scribe Hotel Paris, were never performed by the Auditor General of Pakistan, which is mandatory according to Articles 169 and 170 of Constitution. Not only this, even PIA's internal auditors have not been allowed by Mr. Najib Sami to check the books of accounts of PIAIL, and PIA</p>	<p>PIAIL's audited annual accounts are consolidated with PIACL's accounts. PIAIL every quarter submits its accounts to PIACL. PIACL's accounts are subject to Audit by AGP, which also includes PIAIL's annual accounts. The annual audited accounts of PIACL are available on its website which includes PIAIL's accounts (Annex 'H').</p>

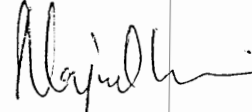
	Board behaved as silent spectators.	
12.	Presentations were made to Board on the false profit earned by PIAIL only for the purpose of sanctioning of heavy annual bonus for Mr. Najib Sami. PIA Board did not perform its obligatory duty in monitoring affairs of PIAIL.	<p>It is NOT correct that presentations were made on the false profits earned by PIAIL for the purposes of bonus.</p> <p>It is also NOT correct that PIAIL Board did not perform its obligatory duty in monitoring the affairs of PIAIL.</p> <p>PIAIL as a shareholder nominates its nominees on PIAIL's Board, and it did nominate renowned, well qualified, experienced, and competent professionals on PIAIL's Board (Annex 'I'). PIAIL's current Board of Directors comprises of the following :</p> <ol style="list-style-type: none"> 1- Air Marshal Arshad Mahmood Malik - Chairman 2- Mr. Atif Aslam Bajwa, Member Board 3- Mr. Aslam Khaliq, Member Board 4- Air Cdre Jawad Zafar Chaudhary, Member Board 5- Dr. Najeeb Samie, Member Board
13.	Mr. Najib Sami bought a house in Banigala Islamabad, and thereafter with connivance of political high-ups in the Federal Government, managed to shift PIAIL office from Karachi to	<p>It is NOT correct.</p> <p>PIAIL office had never shifted to Islamabad, and its liaison office has always been at Karachi (Annex 'J').</p>

	Islamabad in 2013/14, and PIA Head Office is still in Karachi.	
14.	In order to facilitate Directors and their families all Board Meetings of PIAIL are held in foreign countries which is against SECP Rules.	It is NOT correct that to facilitate Directors and their families all Board Meetings of PIAIL are held in foreign countries. The Board meetings are held where PIAIL and its subsidiaries have business interests, and for tax reasons (Annex 'K'). SECP Rules are inapplicable to PIAIL.

We appreciate Transparency International Pakistan's role, it is therefore, requested to please review the alleged allegations sent to PIACL in the light of the above clarifications.

With regards,

Very truly yours,



DR. NAJEEB SAMIE
MANAGING DIRECTOR

Encl: As above



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Fax: (92-21) 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

March 13, 2020

Chairman/Managing Director,
Pakistan International Airlines,
PIA Head Office,
Karachi.

Subject: Violation of Public Procurement Rules 2004 in award of of renovation contract of over US 25 Million USA & Scribe Hotel Paris, France, as well as irregular leasing out Roosevelt Hotel NY & Scribe Hotel Paris, by Mr. Najib Sami - MD PIA Investment Ltd.

Dear Sir,

Transparency International Pakistan has received a complaint on the violation of Public Procurement Rules 2004 in award of of renovation contract of over US 25 Million USA & Scribe Hotel Paris, France, as well as irregular leasing out Roosevelt Hotel NY & Scribe Hotel Paris, by Mr. Najib Sami - MD PIA Investment Ltd.

The complainant has made the following allegation;

That;

1. Pakistan International Airlines Corporation Limited (PIACL) is incorporated as Public Sector Company Limited, with company registration office Karachi on December 04, 2015. Pakistan International Airlines Corporation Limited governed under by the Companies Ordinance, 1984 as well as Public Sector Companies (Corporate Governance) Rules, 2013 of SECP. Under PSC Rules 2013, key appointments such as CEO/MD, Procurements, investments etc are regulated by Federal Government e.g. key appointments under Estacode Rules on qualification, experience, minimum / maximum age, remuneration, Procurement under PPRA Rules 2004, and investments loans under Finance Rules, and display of annual reports on the website of PIA etc.
2. Pakistan International Airlines Investment Limited (PIAIL) is a subsidiary of PIACL that owns two hotels, one is Roosevelt Hotel at New York, USA & other is Scribe Hotel at Paris, France, and it is mandatory for PIACL to perform similarly as PIA is performing
3. Since Mr. Najib Sami is appointed as MD of PIAIL about ten years ago, PIAIL has been violating most of the Public Sector Companies (Corporate Governance) Rules, 2013.
4. According to Federal Government Policy, retirement age is 60 years and in PIA also 60 years is retirement age except for Pilots. But in gross violation of Federal Government retirement age limit policy, PIACL & PIA Boards have many times amended retirement age limit of MD for retaining Mr. Najib Sami, from 60 to 63, and then from 63 to 65, and then from 65 to 70, and even now he is still allowed to work as MD PIAIL.



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

Continuation Sheet No.....

5. Mr. Najib Sami as MD PIAIL has blatantly violated and ignored compliance of many SECP/ Federal Government rules, specially Audit of Accounts of PIAIL, as well as hoisting of PIAIL Annual Reports, on the website of PIAIL.
6. Mr. Najib Sami has ordered not to make PIAIL website, so as to successfully avoid hoisting of Annual Reports on the website of Pakistan International Airlines Investment Limited. Mr. Najib Sami has also managed to hide all details of PIAIL for PIA website also. In fact he has made PIAIL an opaque body, as no detailed about its existence, notification, Board of Directors, Annual Meeting, Board Meetings here available on website.
7. In last ten years or so, family members of hundreds of PIA and PIAIL directors, Ministers, Friends, Politicians, and their friends have been facilitated by PIAIL for free stay in Roosevelt Hotel at New York, USA and Scribe Hotel at Paris, at the cost of exchequer, under MD's orders. In return to these favours, all of them have managed to keep 71 years old Mr. Najib Sami as illegal MD of PIAIL since last 10 years. Complete Audit of last 10 years of hotel guest will disclose the free or concessionary rooms allowed, which may be in thousands of nights.
8. The Board of Directors of PIA as well as PIAIL has failed to perform their responsibilities, defined in Public Sector Companies (Corporate Governance) Rules, 2013. Responsibilities powers and functions of the Board. - (1) The directors of a Board shall be persons who, in opinion of the Government, shall assist the Public Sector Company to achieve its principal objective and the Board shall accordingly exercise its powers and carry out its fiduciary duties with a sense of objective judgment and in the best interest of the company. This provision shall apply to all directors, including ex officio directors.
- (2) The Board shall evaluate the candidates based on the fit and proper criteria and the guidelines specified by the Commission for appointment to the position of the chief executive and recommend at least three candidates to the Government for its concurrence for appointment of one of them as chief executive of the Public Sector Company, except where the chief executive is nominated by the Government. On receiving concurrence or nomination of the Government, as the case may be, the Board shall appoint the chief executive in accordance with the provisions of the Ordinance. The Board shall also be responsible for development and succession planning of the chief executive.
- (10). Quarterly and Monthly Financial Statements and Annual Report. - Every Public Sector Company shall, within one month of the close of first, second and third quarter of its year of account, prepare a profit and loss account for, and balance sheet as at the end of, that quarter, whether audited or otherwise, for the Board's approval. Annual report including annual financial statements shall be placed on the Public Sector Company's website:
- (11) The Board shall ensure compliance with policy directions received from Government from time to time. (On Appointment of CEO and Finance Notifications by Ministry of Finance for PSE.)
9. Since last ten years, hundreds of millions of dollars contract for renovation of two Hotels have been awarded, without following PPRA Rules 2004. A visit to PPRA website reveals that PIA is posting all Tenders, Planning's, Evaluation Reports, and Contracts awarded on PPRA website, but no tender or details are posted on PPRA website by Pakistan International Airlines



TRANSPARENCY
INTERNATIONAL-PAKISTAN
Investment Limited.

Continuation Sheet No.....

- 10 9. Leasing contracts for the two hotel have also been awarded by MD Mr. Najib Sami worth over \$ 500 million, without open bidding in violation PPRA Rules 2004, which under PPRA Regulation Rule No. 50, is mis- procurement.
- 11 10. The Audit of Accounts of Pakistan International Airlines Investment Limited, which owns Roosevelt Hotel NY and Scribe Hotel Paris, were never performed by the Auditor General of Pakistan, which is mandatory according to Articles 169 and 170 of Constitution. Not only this, even PIA's internal auditors have not been allowed by Mr. Nab Sami to check the books of accounts of PIAIL, and PIA Board behaved as silent spectators.
- 12 11. Presentations were made to Board on the false profit earned by PIAIL only for the purpose of sanctioning of heavy annual bonus for Mr. Najib Sami. PIA Board did not perform its obligatory duty in monitoring affairs of PIAIL.
- 13 12. Mr. Najib Sami bought a house in Banigala Islamabad, and thereafter with connivance of political high-ups in the federal government, managed to shift PIAIL office from Karachi to Islamabad in 2013/14, and PIA Head Office is still in Karachi.
- 14 13. In order to facilitate Directors and their families all Board Meetings of PIAIL are held in foreign countries which is against SECP Rules.

Transparency International Pakistan has reviewed the issue on the alleged irregularities committed in Pakistan International Airlines Investment Limited. Following are recommendations for the consideration of Chairman PIA.

1. Allegations of Irregularity on the Compliance of Public Sector Companies (Corporate Governance) Rules, 2013 by PIAIL and PIA shall be investigated.
2. Allegations of Irregularity on the Compliance of Public Procurement Rules 2004 by PIAIL shall be investigated.
3. Appointment of Mr. Najib Sami after attaining age of 60 for three times in last 10 years inspire of ban on rehiring notified by Federal Government, shall be investigated. Even Judges of High Courts are retired at 63 years, and Judges of Supreme Courts are retired after 65 years, why and how the services of a 70 years old officer are retained by PIA and PIAIL and the Federal Government allowed this irregular appointment.
4. 10 Years Audit of PIAIL shall be conducted on the Free/Concessionary Rooms given in Roosevelt Hotel at New York, USA & other is Scribe Hotel at Paris, France on the request of Mr. Najib Sami. The names and relationships with POH of these beneficiaries shall be checked and declared publicly, similar to the recent list published in newspapers by Federal Government about the BISP fraud beneficiaries.

In case any or all allegations proves to be correct, actions against all officers and beneficiaries shall be taken to get the exchequers money refunded and measures for the proven irregularities as per violation of SECP, PPRA and Federal Govt Laws, shall also be initiated.

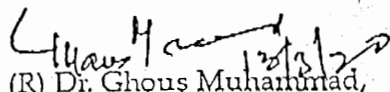


TRANSPARENCY
INTERNATIONAL-PAKISTAN

Continuation Sheet No.....

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,


Justice (R) Dr. Ghous Muhammad,
Vice Chairman,

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, PAC, National Assembly, Islamabad.
3. Director General- NAB Karachi.
4. DG, FIA, Islamabad,
5. Secretary Aviation - Karachi
6. Registrar, Supreme Court of Pakistan, Islamabad.
7. DG FIA, Islamabad

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE INTERNATIONAL BUSINESS COMPANIES ORDINANCE
(No. 8 of 1984)

CERTIFICATE OF CONTINUATION (Sections 85 and 86)


No. 2719

I, Ann M.C. Allen Ag., Registrar of Companies of the British Virgin Islands DO HEREBY CERTIFY pursuant to the International Business Companies Ordinance (No. 8 of 1984) that all the requirements of the said Ordinance in respect of continuation having been satisfied, PIA INVESTMENTS LIMITED

is deemed to be incorporated in the British Virgin Islands as an International Business Company

this 31st day of Dec., 19 86

Given under my hand and seal at Road Town
in the Island of Tortola


Ann M.C. Allen
Ag. Registrar

DUPLICATE OF THE ORIGINAL
REGISTRAR OF COMPANIES
BRITISH VIRGIN ISLANDS

PART VI
DIRECTORS

Division 1 - Management by Directors

Management by
directors.

109. (1) The business and affairs of a company shall be managed by, or under the direction or supervision of, the directors of the company.

(2) The directors of a company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the company.

26/2005

(3) Subsections (1) and (2) are subject to any modifications or limitations in the memorandum or articles.

26/2005

(4) Subject to subsection (4A), a company shall, at all times, have one or more directors.

26/2005

(4A) Subsection (4) does not apply during the period between the incorporation of the company and the appointment of the first directors by the registered agent under section 113(1).

26/2005

(5) Subject to subsection (4), the number of directors of a company may be fixed by, or in the manner provided in, the articles of the company.

(6) If at any time a company does not have a director, any person who manages, or who directs or supervises the management of, the business and affairs of the company is deemed to be a director of the company for the purposes of this Act.

Committees of
directors.

110. (1) Subject to the memorandum and articles and to subsection (2), the directors may

26/2005

(a) designate one or more committees of directors, each consisting of one or more directors; and

(b) delegate any one or more of their powers, including the power to affix the common seal of the company, to the committee.

(2) Notwithstanding anything to the contrary in the memorandum or articles, the directors have no power to delegate the following powers to a committee of directors:

(a) to amend the memorandum or articles;

(b) to designate committees of directors;

(c) to delegate powers to a committee of directors;

POWERS OF DIRECTORS

83. The business and affairs of the Company shall be managed by the directors who may pay all expenses incurred preliminary to and in connection with the formation and registration of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or these Articles required to be exercised by the members of the Company, subject to any delegation of such powers as may be authorized by these Articles and to such requirements as may be prescribed by a resolution of members; but no requirement made by a resolution of members shall prevail if it be inconsistent with these Articles nor shall such requirement invalidate any prior act of the directors which would have been valid if such requirement had not been made.
84. The directors may, by a resolution of directors, appoint any person, including a person who is a director, to be an officer or agent of the Company. The resolution of directors appointing an agent may authorize the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.
85. Every officer or agent of the Company has such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in these Articles or in the resolution of directors appointing the officer or agent, except that no officer or agent has any power or authority with respect to the matters requiring a resolution of directors under the Act.
86. Any director which is a body corporate may appoint any person its duly authorized representative for the purpose of representing it at meetings of the board of Directors or with respect to unanimous written consents.
87. The continuing directors may act notwithstanding any vacancy in their body, save that if their number is reduced to their knowledge below the number fixed by or pursuant to these Articles as the necessary quorum for a meeting of directors, the continuing directors or director may act only for the purpose of appointing directors to fill any vacancy that has arisen or for summoning a meeting of members.



Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the resolution establishing the committee.

OFFICERS

105. The Company may by resolution of directors appoint officers of the Company at such times as shall be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a Vice-Chairman of the Board of Directors, a President and one or more Vice-Presidents, Secretaries and Treasurers and such other officers as may from time to time be deemed desirable. Any number of offices may be held by the same person.
106. The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by resolution of directors or resolution of members, but in the absence of any specific allocation of duties it shall be the responsibility of the Chairman of the Board of Directors to preside at meeting of directors and members, the Vice-Chairman to act in the absence of the Chairman, the President to manage the day to day affairs of the Company, the Vice-Presidents to act in order of seniority in the absence of the President but otherwise to perform such duties as may be delegated to them by the President, the Secretaries to maintain the share register, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the Treasurer to be responsible for the financial affairs of the Company.
107. The emoluments of all officers shall be fixed by resolution of directors.
108. The officers of the Company shall hold office until their successors are duly elected and qualified, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by resolution of directors. Any vacancy occurring in any office of the Company may be filled by resolution of directors.



Retirement Age

From: Stephen Moverley Smith QC (stephen.moverley.smith@xxiv.co.uk)
Sent: 02 October 2009 02:48:53
To: najeebsamie@hotmail.com

Najeeb -

As I mentioned there is nothing in BVI law to restrict the retirement age of employees working outside the BVI.

Best regards,

Stephen

Stephen Moverley Smith QC
XXIV Old Buildings
Lincoln's Inn, London WC2A 3UP

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Chambers of The Year 2009 – The Lawyer Awards

For more information, please visit our website at www.xxiv.co.uk

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New Reply Delete Archive Junk Sweep Move

mnaqvi@kpmg.com

Re: Delivery Notification
<najeebsamie@hotmail.com>

Folders

Inbox 3752

Junk 376

Drafts 200

Sent

Deleted 25

fwd

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Photos 893

New category

To see messages related to this one, group messages by conversation.



Masud Naqvi 03/10/2009

To: najeebsamie@hotmail.com

Dear Najeeb

As discussed, I confirm that PIAL, being a private company, its Board has the full authority to determine HR and other policies and determine and vary the retirement age. I further confirm that in KPMG in MESA including Pakistan the retirement age is 65 years and it is the same in AFF and co and a number of other companies

Masoud Naqvi

MESA Chairman

Senior Partner - Pakistan

KPMG Taseer Hadi & Co.

Chartered Accountants

(KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.)

Ph: 9221 568 5847 (Ext.)

Fax: 9221 568 5095

E-mail: mnaqvi@kpmg.com

PIA Investments Ltd

From: PIA Investments Ltd <piail@piail.com>
Sent: Friday, February 07, 2020 18:47
To: 'faisal061@hotmail.com'
Subject: FW: Unaudited Financial Statements of PIAIL - June 30, 2019
Attachments: Consolidation Reporting Package June 2019 - For PIA.XLSX; PIAIL Financials - June 30, 2019 1.pdf

Categories: NOT FOR CIRCULATION

From: PIA Investments Ltd [mailto:piail@piail.com]
Sent: Sunday, September 22, 2019 11:20
To: 'ahsen.raza@piac.aero'
Cc: 'khiakpk'; 'khiqqpk@piac.aero'
Subject: RE: Unaudited Financial Statements of PIAIL - June 30, 2019

Dear Ahsen,

Please find enclosed the unaudited financial statements of PIAIL for period ended June 30, 2019, alongwith financial reporting package.

Regards,

Faisal

PIA Investments Limited
1st Floor, Shafi Chambers
Club Road, Karachi
Pakistan
Phone: +92 21 35685056 – 58
Fax: +92 21 35683546
Email: piail@piail.com

PIA Investments Ltd

From: PIA Investments Ltd <piail@piail.com>
Sent: Saturday, November 30, 2019 14:45
To: 'ahsen.raza@piac.aero'
Cc: 'khiakpk'
Subject: RE: Unaudited Financial Statements of PIAIL - Sep 30, 2019
Attachments: Consolidation Reporting Package Sep 30, 2019 for PIAC.XLSX; Consolidated FS Sept - 2019.pdf

Categories: Last mail circulated, NOT FOR CIRCULATION

Dear Ahsen,

Please find enclosed the unaudited financial statements of PIAIL for period ended Sep 30, 2019 along with financial reporting package.

Regards,

Faisal

PIA Investments Limited
1st Floor, Shafi Chambers
Club Road, Karachi
Pakistan
Phone: +92 21 35685056 – 58
Fax: +92 21 35683546
Email: piail@piail.com

PIA Investments Ltd

From: PIA Investments Ltd <piail@piail.com>
Sent: Saturday, July 21, 2018 1:21 PM
To: 'ahsen.raza@piac.aero'
Cc: 'khiaqpk@piac.aero'; 'khiakpk'; 'cfo@piac.aero'
Subject: RE: Un-audited Financial Statements for the first quarter ended March 31, 2018 - PIAIL
Attachments: Consolidated FS March - 2018.pdf; Consolidation Reporting Packag March 2018 for PIAC.XLSX; Long term note disclosure - Marc 31, 2018.docx

Dear Ahsen,

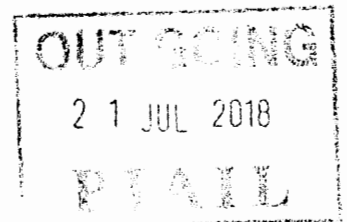
Please find enclosed the un-audited financial statements of PIAIL for the first quarter ended March 31, 2018 for your records.

Also enclosed are the consolidated reporting package and long term note disclosure as of March 31, 2018.

Regards,

Faisal

PIA Investments Limited
1st Floor, Shafi Chambers
Club Road, Karachi
Pakistan
Phone: +92 21 35685056 – 58
Fax: +92 21 35683546
Email: piail@piail.com



Official Copy

23 AUG 2017
PIAC-COTA

PIA Investments Ltd

From: PIA Investments Ltd <piail@piail.com>
Sent: Tuesday, August 29, 2017 7:55 PM
To: 'ahsen.raza@piac.aero'
Subject: PIAIL Financials - June 30, 2017
Attachments: Long term note disclosure - June 30, 2017.docx; Consolidation Reporting Packag June 2017 for PIAC.XLSX; PIAIL FS June 30 2017.pdf
Categories: NOT FOR CIRCULATION

Dear Ahsen,

Please find enclosed the Financial Reporting pack, FS, and long term loan disclosure note for the half year ended June 30, 2017.

Regards,

Faisal

PIA Investments Limited
1st Floor, Shafi Chambers
Club Road, Karachi
Pakistan
Phone: +92 21 35685056 – 58
Fax: +92 21 35683546
Email: piail@piail.com

Business with PIA

Bid Reports

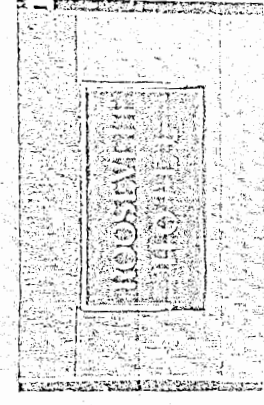
Tenders

Careers

Partner Hotels

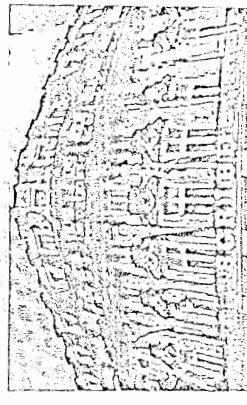
Virtual Agents

PARTNER HOTELS



THE ROOSEVELT HOTEL NEW YORK

An iconic Hotel in Midtown Manhattan.



THE SCRIBE HOTEL

Hotel Scribe Paris Opera by Sofitel, a luxury five-star hotel. Emblem of Parisian life



KARACHI AIRPORT HOTEL

Originally established in 1955 by the British Overseas Airlines Corporation (BOAC) under the name of Speed Bird House with a capacity of 100 Rooms, it was acquired by Pakistan International Air line (PIA) in 1973. In the year 1983-84, four new blocks comprising 244 Rooms, Reception, Shops and Dining Hall facilities were added in the hotel.

COMPLIMENTARY ROOMS

**COMPLIMENTARY ROOMS
NOVEMBER, 2019**

	<u>NOVEMBER</u>	<u>Y.T.D</u>
SCRIBE	1	18
NUIT DECOUVERTE	0	2
MINHAL	21	135
<u>TOTAL HOUSE USE</u>	22	155
DIRECTION	4	73
MARKETING DEPARTMENT	11	100
SALE'S GESTURE	0	8
VOUCHER TOMBOLA	11	71
ACCOR Sofitel	0	6
<u>TOTAL MARKETING</u>	26	258
<u>TOTAL</u>	48	413

Complimentary Rooms
Dec-19

Date	PIA & PIA-IL	Interstate Hotels	Hotel Business	Staff Usage	Total
1					0
2				1	1
3		1	3		4
4		1	1		2
5			1	1	2
6			3	1	4
7			3	1	4
8					0
9			1		1
10			5		5
11			2		2
12			1		1
13			8	1	9
14			5	1	6
15			2		2
16			2		2
17		1		1	2
18		2			2
19					0
20			1		1
21			1		1
22				1	1
23			1	1	2
24			1	1	2
25			4	1	5
26			4	1	5
27			2	1	3
28				1	1
29				1	1
30				1	1
31				2	2
Totals	0	5	51	18	74

Complimentary Rooms
Jan-19

Date	PIA & PIA-IL	Interstate Hotels	Hotel Business	Staff Usage	Total
1	2				2
2	2			1	3
3	2				2
4	2		1	1	4
5	2		1	1	4
6	2			1	3
7					0
8			4		4
9			1	1	2
10			2	1	3
11			1	1	2
12			2	1	3
13			1		1
14			1		1
15			1		1
16			5		5
17			7	1	8
18				1	1
19			17	1	18
20				2	2
21				1	1
22			3		3
23					0
24					0
25					0
26				1	1
27					0
28		1		1	2
29				1	1
30			1	2	3
31					0
Totals	12	1	48	19	80

FINANCIAL SNAPSHOT

During 2018, the Company reported loss before tax amounting to Rs.67,418 billion. Major reasons for increase in loss were significant exchange loss due to rupee depreciation, increase in fuel prices resulting in 40.7% increase in fuel cost and increase in financial charges by 33.7% as compared to 2017.

Particulars	Year Ended December 31st	
	2018	2017
	(PKR in Millions)	
Revenue - net	103,490	90,556
Aircraft Fuel	(43,552)	(30,941)
Operating Cost & Expenses	(94,703)	(94,673)
Other Income	1,723	836
Exchange Loss	(14,953)	(2,188)
Finance Cost	(20,384)	(15,247)
Loss Before Tax	(67,418)	(51,057)

FINANCIAL STATEMENTS

As discussed in Note 1.3 to the Financial Statements, the Financial Statements have been prepared based on going concern assumption in line with persistent support of the Government of Pakistan. Through its letter dated February 19, 2018, GoP has reiterated its maximum support to maintain the Company's going concern status. The GoP guarantee limit to PIA was enhanced from Rs.178,085 million to Rs. 222,107 million in May 2019 to meet the cash deficit. Further, in a meeting with Honorable Prime Minister held on April 4, 2019, the Company presented its Business Plan from 2019 till 2023. During the meeting, the Honorable Prime Minister assured GoP's full support to the Company in terms of provision of funds/equity in order to increase its potential to compete in the Aviation market.

During the year, Companies Act 2017 became applicable and accordingly the Financial Statements for 2018 have been prepared as per the requirement of Schedule-IV of Companies Act 2017 as more fully explained in Note 3.1 to the Financial Statements.

CHANGE IN BOARD OF DIRECTORS

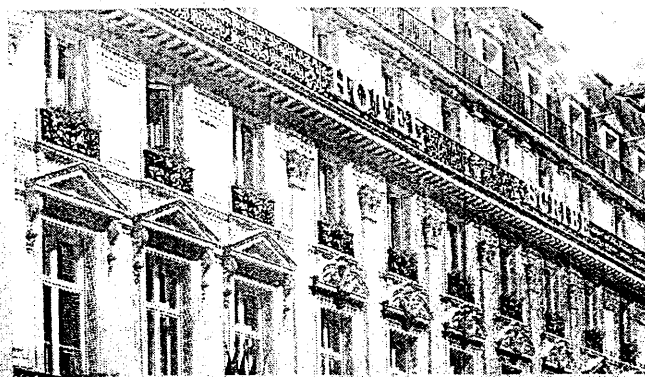
Since the publication of PIA's Annual Report-2017, there has been no change in the composition of the Board.

FINANCIAL ANALYSIS OF SUBSIDIARIES

PIA Investments Ltd:

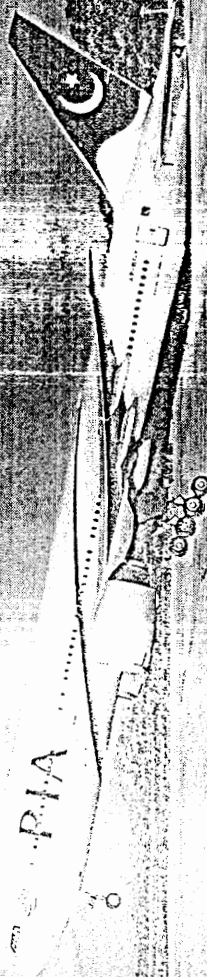
The revenue for the year 2018 recorded slight growth of 1% as compared to 2017. Profit after tax also increased to USD3.4 million recording an increase of 138.7% against last year.

Particulars	Year Ended December 31st	
	2018	2017
	(USD in Thousands)	
Revenue	122,590	121,384
Costs and Expenses	(126,321)	(122,104)
Operating Profit	(3,742)	(720)
Taxation	7,130	2,140
Profit After Tax	3,389	1,420



PAKISTAN
International Airlines
Great People to Fly With

ANNUAL REPORT | 2017



 **PAKISTAN**
International Airlines
Great People to Fly With

Company Secretary
PIA Headquarters,

Jinnah International Airport,
Karachi - 75200, Pakistan.

UAN: 111-786-786 / 111-FLY-PIA

www.piac.aero

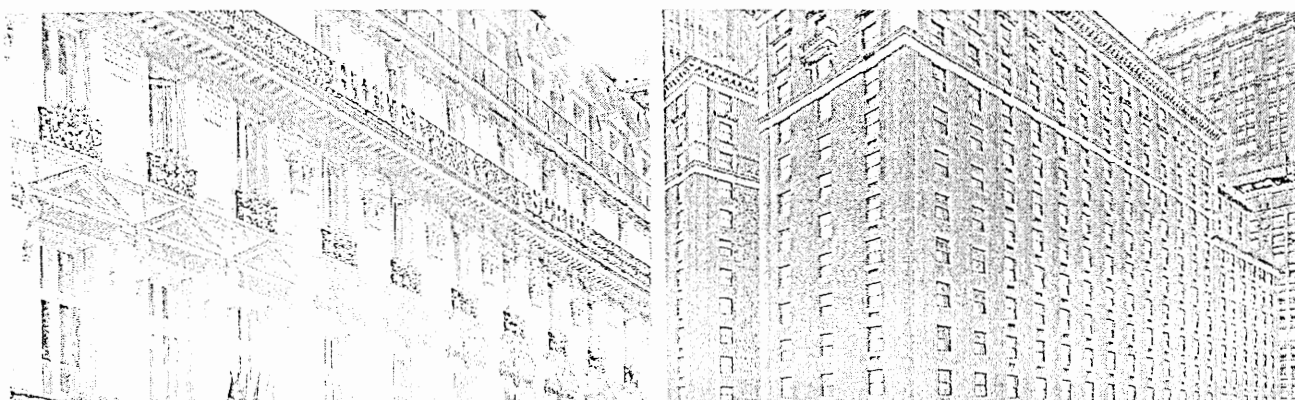
پاکستان انٹرنیشنل ایئر لائنز کارپوریشن لمیٹڈ

FINANCIAL ANALYSIS OF SUBSIDIARIES

PIA Investments Ltd

Gross profit for the year 2017 was USD 36.8 million vs 35.4 million in 2016 resulting in 4% increase. Operating profit for 2017 was USD 5.5 million (vs USD 3.3 million in 2016) and profit after tax was USD 1.4 million (vs USD 0.7 million in 2016) recording increase of 65% and 93% respectively.

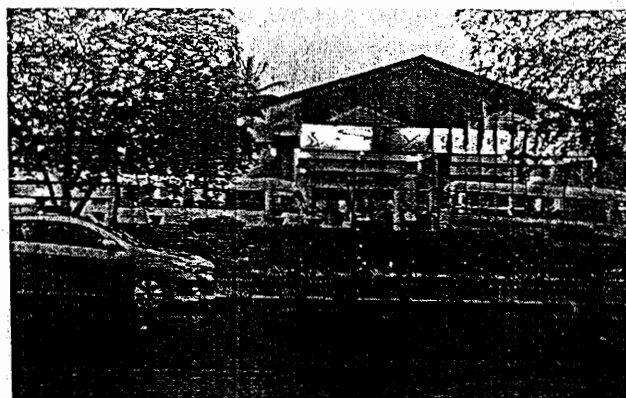
Particulars	Year Ended December 31st	
	2017	2016
	(USD in Thousands)	
Revenue	121,384	122,834
Cost of Services	(84,611)	(87,455)
Gross Profit	36,772	35,379
Marketing & Other Expenditures	(31,274)	(32,042)
Operating Profit	5,499	3,336
Finance Cost	(6,219)	(4,982)
Deferred Tax	2,140	2,382
Profit After Tax	1,420	736



Skyrooms Pvt Ltd

Revenue for the year 2017 increased by 18% to PKR 350.5 million vs PKR 297.2 in 2016. Profit after tax soared 5.7 times to PKR 54.2 million vs PKR 8.4 million in 2016.

Particulars	Year Ended December 31st	
	2017	2016
	(PKR in Thousands)	
Revenue & Other Income	350,548	297,215
Cost & Expenses	(278,374)	(283,872)
Net Profit Before Tax	72,174	13,343
Taxation	(18,005)	(4,937)
Net Profit After Tax	54,169	8,406



Company Secretary
PIA Investments Limited
Karachi

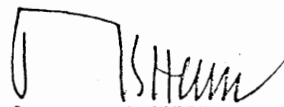
CS/BR-PIAIL/2019
January 04, 2019

**RECOMPOSITION OF BOARDS OF PIA-IL
AND ITS SUBSIDIARIES**

1. PIACL Board, in its 27th Meeting held on December 28, 2018 has approved recomposition of Boards of PIA Investments Limited, and its Subsidiaries and an Associated Company as under:

Company	Nominees
PIA Investments Limited	<ol style="list-style-type: none"> 1. Air Marshal Arshad Mahmood Malik, Member Board & Chairman 2. Dr Najeeb Samie, Member Board 3. Mr Atif Aslam Bajwa, Member Board 4. Mr Aslam Khaliq, Member Board 5. Air Cdre Jawad Zafar Chaudhary, Member Board
Roosevelt Hotel Corporation N.Y	<ol style="list-style-type: none"> 1. Air Marshal Arshad Mahmood Malik, Managing Director & Chairman 2. Dr Najeeb Samie, Managing Director 3. Mr Atif Aslam Bajwa, Managing Director 4. Mr Aslam Khaliq, Managing Director 5. Air Cdre Jawad Zafar Chaudhary, Managing Director
Minhal France S.A	<ol style="list-style-type: none"> 1. Air Marshal Arshad Mahmood Malik, Director & Chairman 2. Dr Najeeb Samie, Director 3. Mr Atif Aslam Bajwa, Director 4. Mr Aslam Khaliq, Director 5. Air Cdre Jawad Zafar Chaudhary, Director
Minhal Incorporated	<ol style="list-style-type: none"> 1. Air Marshal Arshad Mahmood Malik, Member Board & Chairman 2. Dr Najeeb Samie, Member Board 3. Mr Atif Aslam Bajwa, Member Board 4. Mr Aslam Khaliq, Member Board 5. Air Cdre Jawad Zafar Chaudhary, Member Board

2. Please take necessary actions at your end as required under applicable rules and regulations.


Muhammad SHUAIB
Company Secretary

cc: Chairman of 27th Board Meeting
cc: President & CEO-PIACL
cc: Mr Atif Aslam Bajwa, Director PIACL Board
cc: Mr Aslam Khaliq (former Director PIACL Board)
cc: Managing Director PIA-IL
cc: Principal Advisor to President & CEO-PIACL

Pakistan International Airlines Corporation Limited
Head Office: Karachi Airport-Pakistan
Tel : 9904 4850,
Fax : 9924 2310
E-mail : secretary@piac.aero
Website : www.piac.aero



BY TCS

Prime Minister's Office
Board of Investment
(F.T.P. Section)
Syedna Taher Saifuddin Memorial Foundation,
3rd Floor, Plot No. CL-10/20/2,
Beaumont Road, Civil Lines, Karachi-75530.
(Tel. # 9920477 <> Fax # 99204486)

No. FTP-7/(349)/2012

Karachi, dated, 04.07.2018

M/s. P.I.A Investments Limited
(Liaison Office)
Shafi Chambers, 1st Floor, Club Road,
Karachi. (Phone # 35685056-59)

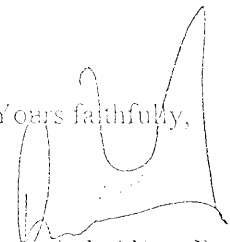
SUBJECT: - RENEWAL OF PERMISSION OF LIAISON OFFICE IN PAKISTAN AT KARACHI.

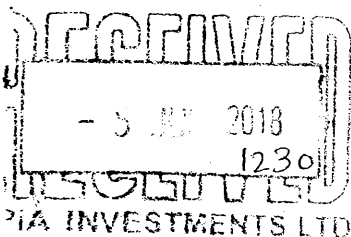
Dear Sir,

Please refer to your letter No. PIAIL/067/18 dated 27.06.2018 alongwith its enclosures on the subject cited above.

2. The same was duly considered and in view of justification given by you, permission is hereby extended to continue operation of your Liaison Office in Pakistan at Karachi for a further period of Three (03) years with effect from 30.06.2018.
3. All other terms and conditions as stipulated in this office permission letter of even number dated 11.11.1980 shall remain unchanged.

Yours faithfully,


(Aftab Ahmed)
Director



Telegraphic Address :-
"IPEEBEE" KARACHI



GOVERNMENT OF PAKISTAN
MINISTRY OF INDUSTRIES
INVESTMENT PROMOTION BUREAU
GODREJ KANDAWALLA BUILDING, M.A. JINNAH ROAD,
P.O. BOX No. 8711 KARACHI-3.

No. FTP-7/(349)/80.

Karachi Dated, the 11/11 November 1980.

M/s. PIA Investment Ltd.,
C/o. M/s. A.F. Ferguson & Co.,
State Life Building 1-C,
off I.I. Chundrigar Road,
Karachi.

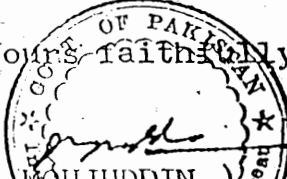
Subject:- Proposal for opening of a Liaison Office
in Pakistan.

Dear Sirs,

With reference to this Bureau's letter of even number dated the 23rd July, 1980 on the above subject, I am directed to state that on reconsideration of the matter this Bureau have no objection for your opening of a Liaison Office in Pakistan subject to the following terms & conditions:-

- i) The Liaison Office will confine its activities to recruitment and training of Pakistanis for posting in hotels owned by you abroad.
- ii) Repatriation of capital/income shall not be allowed from Pakistan at any stage.
- iii) All the expenses of Liaison Office including taxes if any will be met by transfer of funds from abroad.
- iv) Bank Proceed Certificates evidencing receipt of funds from abroad shall be submitted to Exchange Control Deptt. (Investment Division) State Bank of Pakistan, Central Directorate Karachi, on quarterly basis.
- v) Employment of foreign nationals shall not be allowed in any case.
- vi) The exact address of the Liaison Office shall be intimated to this Bureau within one week from the receipt of this letter.
- vii) This permission is valid for a period of three years from the date of issue of this letter.

Yours faithfully,


(MOJUDDIN)
Dy. Director (FTP)

From: s.m.shabbar.zaidi@pk.pwc.com
Sent: Wednesday, November 28, 2012 9:43 PM
To: piail@cyber.net.pk; najeebsamie@hotmail.com
Subject: INCOME TAX STATUS OF PIAIL IN PAKISTAN

Dear Faisal

This refers to our discussion on the matter of tax status of PIAIL in Pakistan in the past and one we had today and we reiterate our views that PIAIL being a company not incorporated in Pakistan, having no operations in Pakistan has no nexus with the tax laws and provisions of Pakistan. Accordingly this foreign company (PIAIL) is not subject to any payment or withholding of Pakistan taxes. This matter has been elaborated in the advice reviewed by us of M/s Tanauli, Qazi Law Associates dated August 8, 2005.

Furthermore we are of the view that other regulations governing companies/operations/enterprises including the purview of audit by Auditor General of Pakistan is ab-initio not relevant for this entity. This view is based on the primary consideration that PIAIL is an entity formed outside Pakistan having all its assets and operations outside Pakistan. The entity only maintains a liaison office, the whole expenses for which are fully borne by the non-resident entity.

In case if you require any other information, or clarification please feel free to discuss with us.

<<Sent via Blackberry>>>

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.