

Mr Abid Hussain
Executive Director / HOD
Corporate Supervision Department (CSD)
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad

CS/S&T/FT/PSX/HRN/18
October 11, 2018

HOLDING OF 2ND ANNUAL GENERAL MEETING OF
PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED

Dear Sir,

1. This refers to Sections 132 and 223 of the Companies Act 2017 regarding Annual General Meeting (AGM) whereby every company is required to hold AGM once in every calendar year within a period of **one hundred and twenty days** following the close of its financial year for laying Annual Audited Accounts. Section 132 states that the Commission may for any special reason extend the time within which any Annual General Meeting shall be held by a period not exceeding thirty days, in case of listed companies. As the Financial Year of PIACL closes on December 31, hence PIACL was required to hold its AGM 2017 by April 30, 2018.

2. It is to bring to your notice that PIACL commenced the process of implementation of Oracle based new ERP system (ERP system) during 2017 and various key modules were made Go-Live during the year ended 31 December 2017. The implementation of ERP system in a big and complex organization like PIACL was a hectic and time-consuming activity. Many difficulties were faced during the collection and subsequent migration of opening balances data in the ERP system which required party and invoice-wise data to be entered in the system. Therefore, a detailed exercise was conducted across the Company to identify and upload party and invoice wise data in the ERP system, which consumed a considerable amount of time. However, the Meeting could not be held due to various reasons narrated in the succeeding paras.

3. During the course of audit 2017, External Auditors required various types of Reports for completing their audit procedures and due to ban imposed by Honorable Supreme Court of Pakistan on the external hiring, PIACL could not hire qualified IT programmers for preparing multi variant requisite Reports which is a specialized and time-consuming activity. In addition to this, various other issues were also faced during the post implementation phase which caused the significant delay in external audit. However, our ERP system support team worked on resolving all remaining issues being faced during the post implementation phase.

4. Working tirelessly and in close coordination with ERP implementation team and auditors for the resolution of pending operational and audit related matters, we have been able to manage



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the pending audit matters to complete the assignment. For reviewing and approving the annual audited accounts for the period ended December 31, 2017, PIACL plans to hold Meetings of Board Audit Committee as well as Board towards the end of October 2018 whereas 2nd Annual General Meeting is being proposed to be scheduled at 1000 Hours on Saturday, November 24, 2018.

5. The above facts are being put up to you for consideration and direction under Section 147 of Companies Act 2017.

6. We take this opportunity to thank SECP for its continued support and guidance on managing the affairs of the Company.

Yours sincerely,



Muhammad SHUAIB
Company Secretary

cc: Chief Regulatory Officer PSX

cc: Chairman & CEO PIACL

cc: Chief Financial Officer

cc: Assistant Company Secretary