



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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**Advisory Committee**

28<sup>th</sup> November 2011

Mr. Muhammad Ali,  
Chairman,  
Securities and Exchange Commission of Pakistan,  
National Insurance Corporation Building, Jinnah Avenue,  
Islamabad.

Sub: Complaint against trade abuse by ICI Pakistan Limited & Nearly All Listed Companies.

Dear Sir,

Transparency International Pakistan has received a complaint from M/S Gresham's Eastern Pvt. Limited against the alleged trade abuse by ICI Pakistan Limited and nearly all listed companies. The self-explanatory complaint is attached for your ready reference.

The complaint is being forwarded to the Securities and Exchange Commission of Pakistan with a request to view it in accordance with the Companies Ordinance 1984, and the measures be taken to ensure compliance of the laws and rules invoke in Pakistan.

Transparency International Pakistan is for across the board application of Public Procurement Ordinance 2002 and Public Procurement Rules 2004.

TI Pakistan is striving to have Rule of Law in Pakistan.

With Regards,

Syed Adil Gilani  
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Registrar, Supreme Court.
4. Auditor General, Islamabad.
5. Managing Director, SSGC, Karachi.
6. Managing Director, PPRA, Islamabad.

November 5, 2011

Ms. RAHAT KAUNAIN HASSAN,  
Chairperson,  
Competition Commission of Pakistan,  
7th Floor South, ISE Towers 55-B,  
Jinnah Avenue,  
Islamabad – Pakistan.  
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Dear Chairperson:

**TRADE ABUSE BY ICI PAKISTAN LIMITED & NEARLY ALL LISTED COMPANIES**

ICI Pakistan Limited is a large manufacturer of soda ash, polyester and paints in Pakistan and is a Public Listed Company. Allow me to disclose some pertinent facts of their procurement process:

1. The Marketing Department prepares a Business Plan outlining their needs for products needed by them for the Pakistan market.
2. The Project Department then prepares a Plant expansion scheme with a Capital Outlay.
3. The ICI Board approves the Capital Outlay allowing the Project Department to procure the machinery etc. for the expansion.
4. It is a fact that No Tenders of any kind are invited for the procurement for the expansion and simply Request for Quotation is sent to their "favorites" who quote with a "desired" figure.
5. The Project is established at the "desired" figure and kickbacks cannot be ruled out.

We talk incessantly of Corruption in Government Sector where in my opinion the procurement would not cross USD 2-3 Billion per year. On the Other hand, procurement by the Private Sector and Public Listed Companies would easily cross USD 15 billion.

For the Public Sector constraints such as SRO 827/1/2001 and the PPRA Rules have dampened but not eliminated corrupt practices, No such rules exist in the Private Sector Public Listed Companies.

Take for example ICI's latest Rs. 2 billion procurement of a Coal Fired Power plant which was approved by the ICI Board following the style mentioned above, that could altogether be avoided and existing equipment converted to Coal Water Slurry- a fact known to them.

The whole procurement of the Rs.2 billion Coal Fired Power plant is surreptitious and one would expect such a procurement at the very least to be tendered through a prominent Press advertisement.

May we request the above procurement by ICI of a Coal Fired power plant to be thoroughly investigated by CCP and some strict rules to be introduced in line with PPRA Rules for the Public Listed Companies to stop the blatant corrupt practices that will be plainly obvious once the CCP investigation is concluded.

Thanks with Best Regards,  
For Gresham's Eastern (Pvt.) Limited,

*Suhail Hussain*  
Mian Suhail Hussain  
Managing Director



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