



20th September 2012,

Chairman,
Karachi Port Trust, (KPT),
Eduljee Dinshaw Road,
Karachi -74000

Subject: News Report of KPT alleged irregularities in Tenders of Port Shopping District, Two giant tugs of 75 tons bollard pull, KPT's store and Pak-Suzuki Motor Plot allotment without Tender, Award of contract to single bidder of food court on Oyster Rock breakwater of PDWCT, declaring Lalazar as a

Commercial area.
First Reminder

Dear Sir,

Transparency International Pakistan refers its letter dated 10th September 2012, where the allegations of irregularities in KPT reported by newspaper Dawn on 8th and 9th September 2012 were questioned, which have not been clarified by KPT.

In respect of over 20,000 square meters land of KPT's store and Pak-Suzuki Motor Plot being allotted without Tender to a private party M/s Venus Pakistan Pvt Ltd, belonging to Mr. Adnan Asad, TIP has received a complaint. Following allegations of violation of rules/procedures are reported in the complaint;

1. That KPT can not allot/sell/lease any land to a private party on 25 years lease, without inviting Open Tenders or Auction process.
2. That private treaty is also allowed, but only if the land is to be allotted to a public agency, like KESC and PTCL (prior to their privatization), PNSC, PSO, Pakistan Customs etc.
3. That KPT can allot land to any public/private party for temporary use of port related activities for a maximum period of 3 months.
4. That KPT has been following this rule and allotting plots to stevedoring companies, transporters, etc for 3 month period from time to time.
5. That when KPT allotted land for more than 3 months period, it always invited open tenders, like M/s APL were awarded Berths 22-24 for 20 years for container terminal in 1996, M/s PMS were awarded Berths 6-9 for 20 years in 2002. Land for KPT Tower Complex was also tendered in 2005, Land for Port District was tender in 2010 and 2012, etc.
6. That General Manager C/W, on a request from M/s Venus Pakistan Pvt Ltd to allot the said land for 25 years, has clearly informed KPT Board that there are three methods of land allotment as quoted in point 1 &2 above, Open Tender, Auctions for private parties, and Private Treaty public agencies.
7. That the Board of Trustees considered the request of party M/s Venus Pakistan Pvt Ltd, and directed the Board Estate Committee, under the chairmanship of Mr. Muhammad Rajpar to consider the request of Mr Adnan Asad's M/s Venus Pakistan Pvt Ltd in the light of KPT Act 1886 and



- the recommendations of GM C/W for inviting Open Tenders or going for Auction (as Adnan Asad's M/s Venus Pakistan Pvt Ltd is a private party and not a public body).
8. That on 27 July 2012, the recommendations of Board Estate Committee of overruling GM C/W recommendations to either Tender or Auction the 20,000 square meter plots, were discussed in the KPT Board meeting, and even after opposition of many trustees, the Board Estate Committee illegal recommendations to allot the plot of over 20,000 square meters to M/s Venus Pakistan Pvt Ltd, were agreed.
 9. That on the same day Chairman KPT was transferred.
 10. That hurriedly only after 4 days, on 31 August 2012, (according to KPT Act 1886 Section 17 only two ordinary meetings of the Board at least shall be held in every month); but an extra ordinary Board Meeting was held under the Chairmanship of the New Chairman as he is allowed to call a special Board meeting on the request of not less than three trustees under sub section 2 (b) of section 17 of KPT Act 1886 (no such written request was made by three trustees) , and on the Board Estate Committee's illegal recommendations to allot the plot of over 20,000 square meters to M/s Venus Pakistan Pvt Ltd of Mr Adnan Asad, the Board minutes of 27th July 2012 were confirmed.
 11. That the Board resolution of allotment of Plot for 25 years to M/s Venus Pakistan Pvt Ltd was thereafter issued in September 2012 under the approval of present Chairman KPT.

Chairman KPT is requested to examine the complaint, and if the 20,000 square meters plot has been allotted for 25 years to M/s Venus Pakistan Pvt Ltd without inviting Tenders or Open Auction, do not sign the lease agreement, as it will amount to illegal act of favoring, and a corrupt practice defined under national Accountability Bureau NAO 1999, Article 9, (iii) If he dishonestly or fraudulently misappropriates or otherwise converts for his own use, or for the use of any other person, any property entrusted to him, or under his control, or willfully allows any other person so to do.

At the outset, TI Pakistan would like to inform you that Article 19-A of the Constitution of Pakistan makes the right to access of information pertaining to a public authority a fundamental right. Justice Syed Mansoor Ali Shah in his landmark judgment *Ataullah Malik v. Federation of Pakistan* laid down the following on 03rd February 2011:


"Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable". PLD 2010 Lahore 605.



We request KPT under KPT Act 1886, Section 2 A to provide TIP with the copies of all the KPT Board Resolutions of 27 July 2012, and 31 July 2012 as allowed under the KPT Act.

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

Yours sincerely,


Syed Adil Gilani
Adviser

Copy forwarded for information with request to take action under their mandate to as sate land is being dolled out against rules,

1. Chairman Public Accounts Committee, Islamabad
2. Chairman, NAB, Islamabad,
3. Secretary, Ministry of Ports & Shipping, Islamabad
4. Registrar, Supreme Court of Pakistan, Islamabad
5. MD, PPRA, Islamabad , to take action under section 5(2) (a) and section 5(2) (i) of the PPRA Ordinance 2002.
6. All KPT Trustees with request to strictly follow Rule of Law, and note that they are public office holder under section 5 (v) of NAO 1999, and accountable for their act as Trustee of KPT, under KPT Act 1886 Section **84A. Declaration of trustees, officers and servants of the Board as public servants.--** All trustees, and all officers and servants of the Board other than artisans, porters and labourers, shall be deemed to be public servants within the meaning of Section 21 of the Pakistan Penal Code. And According to Section **86. Trustees liable for breach of trust.--** Every trustee shall be liable for any misapplication of money entrusted to the Board to which he has been a party, Or which happens through: or is facilitated by, the neglect of his duty.