



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

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17th August 2009,

Chairman,
Port Qasim Authority,
Port Qasim.

Sub: Reported Irregularity in Cancellation of 200 acres Industrial Plot and special provisions of award of BOT Contracts

Fax: 4730108

Dear Sir,

TI Pakistan refers to the NEWS published in Business Recorder of 17th August 2009 Allotment of 200-acre PQA land restored to Dubai-based declared defaulter, which needs to be confirmed by PQA to TI Pakistan, as the Land Policy of PQA was jointly agreed between PQA and TI Pakistan, under intimation to NAB in 2006.

Second point TI Pakistan would like to highlight is that BoT Procurements are to be made under Public Procurement Rules 2004, and there can not be any changes in the terms of pre tendering announced in the Bid Documents, and Draft Implementation Agreement. One such case is the Rental Power Project being taken up by TI Pakistan with the Ministry of Water & Power, PEPCO and PPIB (letter attached).

TI Pakistan request for compliance of BoT Award rules, and a report on the Land cancellation on default of payments conditions as per PQA Land Policy, and the allotment restoration news, when it is completed by PQA.

Respected,

Syed Adil Gilani
Chairman,

Copies forwarded for the information of ;

1. Chairman, PAC, Islamabad,
2. Chairman NAB, Islamabad,
3. Muhammad Rajpar, Board Member, PQA, Karachi

Allotment of 200-acre PQA land restored to Dubai-based declared defaulter ISMAIL DILAWAR

KARACHI (August 17 2009): A bewildering state of affairs is prevailing in the Port Qasim Authority (PQA) where the management has made a mockery of its own Land Allotment Policy (LAP) by restoring the allotment of a 200-acre industrial plot, worth around Rs 400 million, to a Dubai-based firm, which was earlier shown the door for defaulting on payments.

According to sources, a three-member inquiry committee, comprising DG Finance Khawar Jameel, Director Cargo Operation Akbar Mughal and Director Human Resource Management Ashraf Alam Shah has been for quite some time probing into the rationale for annulment of allotment of the plot to Metal Investment Corporation (MIC) by Zafarullah Rind, a former 'under-grade' (18-grade) PQA Estate Manager.

"An inquiry is continuing against the unauthorised cancellation. He (Rind) had not taken approval of the Board chairman and DG Planning and Development," a PQA official said.

He said that Rind, who is at present working as an instructor at PQA Training School after being 'punished' by demotion to the slot of Officer on Special Duty (OSD), was guilty of 'misuse of power'.

Rind, however, rejects the allegations against him as 'wrong', and claims to have done nothing illegal. "My fault is none other than executing the Land Allotment Policy of Port Qasim, and it is justified," he told *Business Recorder*.

Giving details, he said that PQA in April 2007 had allotted the said land to MIC at Rs 2 million per acre Peripheral Development Charges (PDC) for establishment of a coal-based power generation plant in eastern zone.

Later, on the request of MIC, PQA had transferred allotment of the plot to north-western zone, a move which, sources said, raised many eyebrows because of a huge difference between the PDC for the two zones.

Rind said that according to LAP the allottee was bound to pay total PDC within 150 days of the allotment date, failing which the allotment would automatically stand void.

Since April 2007 the party had made no payment, while it still owed at least Rs 175 million and Rs 4 million to PQA in terms of PDC and land rent respectively, he said.

"The party had given an undertaking to PQA that it would pay the entire PDC soon after the allotment and would take possession within six months, but they have not made any effort to start work on the project," Rind said.

He also denied that his decision of cancellation was unauthorised, claiming that after MIC's non-compliance the Directorate of Vigilance had reported to office of the DG P&D, Abdullah Le

ghari, who had further directed the Director Industrial Management (DIM), Ashraf Alam, to investigate the matter. He also pointed finger at Leghari and Alam for influencing him in favour of MIC. "They had tried to influence me to give relaxation to the firm for further six months, but I did not, because the revenue-hungry PQA needed recovery," he alleged.

While the matter was under investigation, sources said, the PQA management took a confusing posture by restoring allotment of the plot to the defaulter.

The Authority, without setting a deadline, however, notified to MIC to pay the outstanding amount shortly, sources said. They said that DG Finance, head of the inquiry committee, in his preliminary report questioned the status of investigation against Rind who, according to the former, had acted 'rightly in favour of PQA'. When contacted, PQA Chairman Vice Admiral Asad Qureshi said that the matter was being investigated, and the truth would soon be out. "The move was unauthorised but he (Rind) says he did that by mistake," he added.