



17<sup>th</sup> Noveber 2015

Director General, NAB Karachi,  
National Accountability Bureau,  
Karachi,

**Sub: Allegations of Corruption by Port Qasim Authority causing :Loss to Exchequer of Rs  
600 Millions on illegal reducing Land cost to PQEPCL**

Dear Sir,

Transparency International Pakistan refers to the news report published on 8<sup>th</sup> October 2015 in daily 'Dunya', on the allegations of PQA Corruption of Billions of rupees in last two years in procurement of Diesel and POL, for PQA fleet, as well as dredger and hired tug boats and pilot boats .

The allegations in the news reports are;

That;

1. Port Qasim Authority in 2014 leased 40 acres to Pak Suzuki Motor Company Limited @ Rs.5 million per acre situated in Eastern Industrial Zone of PQA. Pak Suzuki Motor Company Limited will utilize this land for the period of 50 years.
2. Surprisingly, Port Qasim Authority in 2014 allotted a plot measuring 200 acres for the coal fired power project to PQEPCL at the rate of only Rs 2.5 million per acre for 50 years. This land is also situated in Eastern Industrial Zone of PQA. The 200 acres also includes area in water for Coal Jetty to be built by Port Qasim Electric Power Company (Pvt.) Limited PQEPCL .

The allegations have been examined and following additional facts has come to lime light.

- Port Qasim Authority in 2012 leased around 50 acres area in water to Pakistan International Bulk Terminal PIBT in 2012 @ Rs 5 Million/acre for Coal/Clinker Terminal.
- Chairman PQA who is retiring in December 2015, has overruled the management summary prepared by the department for consideration of PQA Board for allotment of the land @ Rs 5 Million per acres, and unilaterally reduced the rates to half, i.e @ Rs 2.5 million per acres.



- The PQA Board and Chairman which awarded the land on fast track basis in 3 months, even before the Company was registered with SECP, also did not charge Rs 100 Million from PQEPCL, as according to PQA Land Policy, Rs.0.5 million per acre over and above the prevailing rates of Peripheral Development Charges is payable for consideration of allotment on priority / Fast Track basis.
- The Board of Directors PQA and the Chairman PQA has thus gave undue favour of Rs 500 million plus Rs 100 million to Port Qasim Electric Power Company (Pvt.) Limited, which was sponsored by an Ex Chairman NAB.

TI Pakistan requests Director General NAB Karachi to take notice of this alleged illegal act of Chairman and Board of Directors of PQA which has caused loss to exchequer of Rs 600 million and hold all of them accountable under the following Section 9 of NAO 1999, 'Corruption and corrupt practices'.

(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; or

(vi) if he misuses his authority so as to gain any benefit or favour for himself or any other person, or renders or attempts to render or willfully fails to exercise his authority to prevent the grant, or rendition of any undue benefit or favour which he could have prevented by exercising his authority];

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

With Regards,

Sohail Muzaffar  
Chairman

Copies forwarded for the action under rules to;

1. Secretary to Prime Minister, Islamabad
2. Chairman, NAB, Islamabad.
3. Chairman PMIC, Islamabad .
4. Registrar Supreme Court Pakistan, Islamabad



## Port Qasim Authority leases 253.81 acres of land on different prices

Reported by: CT Report October 8, 2015

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ISLAMABAD (Sanaullah Khan): Port Qasim Authority leased out 253.18 acres of land to three companies, surprisingly on different prices during last two years on the directions of federal government. It has been disclosed in official documents of Ministry of Ports and Shipping exclusively available with *Custom Today*.

According to these documents Port Qasim Authority leased 40 acres to Pak Suzuki Motor Company Limited @ Rs.5 million per acre situated in Eastern Industrial Zone of PQA. Pak Suzuki Motor Company Limited will utilize this land for the period of 50 years.

According to the agreement the said project will be operational within five years from the date of possession of plot. After five years in case of failure non utilization fee will be charged as per PQA standard schedule.

Surprisingly, Port Qasim Authority allotted a plot measuring 200 acres for the coal fired power project to PQEPCL at the rate of only Rs 2.5 million per acre for 50 years. This land is also situated in Eastern Industrial Zone of PQA. Port Qasim Authority fixed 25% down payment that is Rs 125,000,000/. PQEPCL had to pay remaining 75% amount Rs375,000,000/ within 60 days after the date of signing of the agreement. The land initially leased for a period of 50 years, with further renewals for a period of 50 years .



**LEASE PERIOD - PERIPHERAL DEVELOPMENT CHARGES - ANNUAL LAND RENT - ANNUAL MAINTENANCE CHARGES AND MISCELLANEOUS FEES OF PQA LAND.**

**LEASE PERIOD**

*	Industrial Land	50 years
*	CFS/Ware Housing plots	50 years
*	Commercial area	50 years
*	Edible Oil/Molasses / Backup area	30 years

**PERIPHERAL DEVELOPMENT CHARGES**

*	Industrial land Eastern Industrial Zone	- Rs.1.5 million / acre
*	Industrial land North Western Industrial Zone	- Rs.2.0 million / acre
*	C.F.S / Ware Housing Plots	- Rs.2.0 million / acre
*	Commercial (through open auction) Reserve price	- Rs.3.5 million / acre
*	Edible Oil & Molasses / Backup Area	- Rs.5.0 million / acre

**ANNUAL LAND RENT**

*	Industrial area	- Rs.26,250 per acre per annum
*	CFS/Ware Housing Plots	- Rs.26,250 per acre per annum
*	Commercial area	- Rs.54,275 per acre per annum
*	Edible Oil / Molasses / Backup Area	- Rs.34,374 per acre per annum
*	Water / Sea Front areas	- Rs.52,500 per acre per annum

**ANNUAL MAINTENANCE CHARGES**

*	Industrial area	- Rs.32,899 per acre per annum
*	CFS/Ware Housing Plots	- Rs.56,863 per acre per annum
*	Commercial area	- Rs.65,507 per acre per annum
*	Back up area	- Rs.62,379 per acre per annum
*	Edible Oil & Molasses	- Rs.28,419 per acre per annum

**Note:** Rs.0.5 million per acre over and above the prevailing rates of Peripheral Development Charges is payable for consideration of allotment on priority / Fast Track basis.

**TRANSFER FEES:**

*	Industrial Plot	- 15% of prevailing PDC
*	Ware House/CFS	- 15% of prevailing PDC
*	Commercial (POZ) Plots	- 15% of prevailing PDC
*	Edible Oil / Molasses & Backup Area plots	- 15% of prevailing PDC

**CONVERSION FEE:**

*	Industrial to Commercial plot	- 390 per m2
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**SUB-DIVISION FEE:**

*	(For the sub-divided portion only) Industrial / Commercial	- 10% of prevailing PDC
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**SUB-LETTING FEE:**

*	Industrial	- 14.30 per m2 per annum (Plus commercial rent for area Sub-letted for commercial purpose)
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**ADDITIONAL TRADE FEE:**

*	Industrial Plots	- 13.00 per m2
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