



TRANSPARENCY INTERNATIONAL-PAKISTAN

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11th March, 2010

Mr. Malik Asrar Hussain ,
CEO,
Pakistan Steel Mills Corporation Limited
Karachi

Sub: Violation of MOU Signed Between Pakistan Steel and
Transparency International – Pakistan

Dear Sir,

This is with reference to TI Pakistan letter dated 9th March 2010, regarding the decisions taken by the Chairman Pakistan Steel on 3rd February 2010, specially on the transparent distribution of Billet, in non-discriminatory manner to all stakeholders.

We enclose a list of NORs from 24th February 1010 to 10th March 2010. Only for 7 days the billet was allotted, and inspite of agreed decision taken by the Chairman Pakistan Steel, 150 mm billet was distributed only to three groups, and not to all 65 registered mills.

1. Amreli Steel (120+ 80+35+40+200+120= 595 tons)
2. Diamond Steel-Ishtiaq Steel-Jabbar Steel (40+40+40+40+35+35+40+80+80+80+40+40= 590) (3 mills) and,
3. Shalimar Steel- Zamsun Steel (40+40+40+40+80+80+40+40=400 tons)(2 mills)

Only on 9th March 2010, 100mm and 75 mm billet was manufactured by Pakistan Steel, and all quantity issued to only one mill, Razak Steel (130 tons+170 tons+112 tons= 412 tons).

Second issue is that inspite of decision taken by the Chairman Pakistan Steel to increase the price of 150mm billet, and declare one price for all three sizes of billet, 75 mm, 100 mm and 150 mm billet, Pakistan Steel has not implemented the decision, which has caused at Rs approx 500 per ton loss in one day, 24th February 2010, of Rs 180,000.

It is clear that only for one day, on 9th March 2010, 75 mm & 100 mm billet was manufactured, and the total quantity of 412 tons was allotted on one favorite mill, Razak Steel, instead of supplying to other mills also.

Transparency International Pakistan would like to have complete clarification on the issue of discrimination and favoritisms in sale of billet, and the losses being incurred by Pakistan Steel, which is a very important national asset, due to the non-implementation of Chairman Pakistan Steel decisions on 3rd February 2010. The similar non transparent and corrupt practices were adopted by Pakistan Steel previous Chairman in 2008-2009, and inspite of TI Pakistan various letters to detest from such practices, that management continued the policy of discrimination and favoritisms, which has caused billion of rupees losses to Pakistan Steel.

With regards

Syed Adu Gilani,
Chairman,
Transparency International Pakistan

Copy forwarded for the information of the Chairman, Public Accounts Committee, National Assembly, Islamabad.

NOR 4431 Dated : 24-02-2010

AMRELI STEEL	CAST BILLET SR-24	150MM	120 TONS
DIAMOND STEEL	"	"	40 TONS
JABBAR STEEL	"	"	40 TONS
NEW SHALIMAR STEEL	"	"	40 TONS
ZAMSUN STEEL	"	"	40 TONS
PRIME ENGINEERING	"	"	80 TONS

NOR 4432 Dated : 25-02-2010

NIL BILLET

NOR 4433 Dated : 26-02-2010

AMRELI STEEL	CAST BILLET SR-24	150MM	80 TONS
ISHTIAQ STEEL	"	"	40 TONS
JABBAR STEEL	"	"	40 TONS
SHALIMAR STEEL	"	"	40 TONS
SUNNY STEEL	"	"	40 TONS

NOR 4434 Dated: 01-03-2010

AMRELI STEEL	CAST BILLET SR-24	150MM	35 TONS
DIAMOND STEEL	"	"	35 TONS
JABBAR STEEL	"	"	35 TONS

NOR 4435 Dated: 02-03-2010

NIL FOR BILLETS

NOR 4436 Dated: 03-03-2010

NIL FOR BILLETS

NOR 4437 Dated: 04-03-2010

AMRELI STEEL	CAST BILLET SR-24	150MM	40 TONS
ISHTIAQ STEEL	"	"	40 TONS
SUNNY STEEL	"	"	40 TONS

NOR 4438 Dated:05-03-2010

NIL FOR BILLETS

NOR 4439 Date: 06-03-2010

AMRELI STEEL	CAST BILLET SR-30	150MM	200 TONS
AMRELI STEEL	"	SR-24	120 TONS
DIAMOND STEEL	"	"	80 TONS
ISHTIAQ STEEL	"	"	80 TONS
JABBAR STEEL	"	"	80 TONS
NEW SHALIMAR STEEL	"	"	80 TONS
SHALIMAR STEEL	"	"	80 TONS

ZAMSUN STEEL	"	"	"	80 TONS
SUNNY STEEL	"	"	"	80 TONS

NOR 4449 Dated: 09-03-2010

RAZAQUE STEEL	BILLET G-40	75MM	130 TONS
RAZAQUE STEEL	"	G-75	170 TONS
RAZAQUE STEEL	"	100MM	112 TONS

NOR 4441 Dated: 10-03-2010

AMRELI STEEL	CAST BILLET SR-24	150MM	80 TONS
DIAMOND STEEL	"	"	40 TONS
JABBAR STEEL	"	"	40 TONS
NEW SHALIMAR STEEL	"	"	40 TONS
ZAMSUN STEEL	"	"	40 TONS