



TRANSPARENCY INTERNATIONAL-PAKISTAN

09th February 2012

Mr. Yaseen Anwar,
Governor,
State Bank of Pakistan,
I.I. Chundrigar Road,
Karachi.

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-35390408, 35390409, Fax: 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk
Advisory Committee

1st REMINDER

Sub: Objection on NBP's purchase of 15,406 Sq. Yds. Plot No. LA-2/B from Afroze Textile Industries (Pvt.) Limited –TIP Letter dated 23rd January 2012.

Dear Sir,

Please find attached copy of our letter dated 23rd January 2012, which has not been responded as of date.

Through its letter, TI-P had drawn State Bank of Pakistan's attention to the purchase of plot by NBP at the market value assessed by the Pakistan Bankers' Association. It was also pointed out that such valuers approved by PBA are not very reliable, as proved in case of 10 acre land purchased by NICL in Korangi (Karachi), 805 kanals at Lahore and 20 acres near Lahore Airport.

TI-P is of the view that state owned bank like NBP should not indulge in buying property which is not its core business.

In the letter dated 23rd January 2012, TI-P also referred to the disposal of such land mortgaged to the Askari Bank, which Askari Bank had put on sale.

TI-Pakistan had also requested SBP to inform it about the prudential laws and rules of SBP for commercial banks for recovering their loans through buying of mortgaged assets, specially for state owned banks which are also obliged to follow the PPRA Ordinance 2002 and the Public Procurement Rules 2004.

TI-P is unable to understand why NBP is insisting on buying the 15,406 sq. yds. industrial plot at F.B. Area, whereas Askari Bank is not buying properties in industrial area of S.I.T.E of 13842 sq. yds, as well as 10648 sq.yds, which definitely are of more commercial value than F.B. Area plots.

We would greatly appreciate if SBP would kindly reply to our attached letter within 07 days and inform us about the relevant prudential laws.

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. President, NBP, Karachi.
6. Managing Director, PPRA, Islamabad.