



22nd September 2011

Honorable Justice Iftikhar Muhammad Chaudhry,
Chief Justice of Pakistan,
Supreme Court of Pakistan,
Constitutional Avenue, Islamabad.

Attn: Human Rights Cell

Sub: Request for Suo Moto Case on CDA notice of alleged fraudulent scheme Margalla Enclave of M/S Bahria Town in Islamabad .

Honorable Chief Justice,

Transparency International Pakistan brings to the attention of Honorable Supreme Court an alleged fraudulent scheme (Margalla Enclave, Islamabad) advertised by M/S Bahria Town in national Newspapers (copy of the advertisement published in "Daily Jang" on 19th September 2011 (**Annex-A**) with the caption that the selling price of plots is less than half of Capital Development Authority's scheme "Margalla Retreat".

Consequently Capital Development Authority has published a "Warning" in national newspapers published in "Dawn" on 21st September 2011 (**Annex-B**). Quoted below is the exact warning of CDA.

*Margalla Retreat is surrounded by residential sectors of CDA and all the land around Margalla Retreat is acquired and owned by CDA. Therefore, **neither any land is available or owned by any private housing scheme nor CDA has issued NOC to any new private housing scheme in or around Sector E-11.***

*In the light of Supreme Court's judgment and CDA Ordinance 1960, only CDA is mandated to open and develop residential schemes in the sectoral areas of Islamabad. Therefore, **the general public is informed/ warned, in its own interest, that they should not purchase / invest in any new housing without prior verification from CDA** otherwise they would be themselves responsible for the loss.*

This act of M/S Bahria Town is also clear violation of section 10 of Competition Commission of Pakistan Ordinance 2009, " **Deceptive Market Practice**", as the company is trying to sell an illegal product to public (**Annex-C**). Though CCP states that this power is given to CCP to prevent deceptive market practice with aim to protect consumers interest and enhance consumer welfare, but CCP has not taken notice of M/S Bahria Town deceptive market practices.

This act may also be violation of SECP Ordinance 1969 as M/s Bahria Town Pvt Ltd is registered with SECP. Section 17(d) of the ordinance Prohibition of fraudulent acts, under which person shall, for the purpose of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly induce any person by deceiving him to do or omit to do any thing which he would not do or omit if he were not so deceived.

M/S Bahria Town is also constructing a project, 61 Storied Bahria Town Icon Tower Karachi in violation of Building laws of the Government of Sindh and advertising the project on the website

without following the Sindh Building Control Authority's bye-laws as NOC issued by SBCA (KBCA) in 2008 under the Karachi Building & Town Planning Regulation 2002 Regulation 5.1 (subject to NOC of CAA which does not allow buildings over 45 stories in this area). NOC of this project is not available on Bahria Town website, nor on SBCA (KBCA) website. TI-P has already filed a "Contempt of Court" application in Sindh High Court under the Constitutional Petition No. 1559 of 2009 (**Annex. D**).

Similar allegations of M/S Bahria Town's violations in procurement of Land from DHA Islamabad against Public Procurement Rules 2004 were reported by TI Pakistan to Administrator DHA in July 2010 (**Annex. E**), as well as to the Chairman Public Accounts Committee in October 2010 (**Annex. F**), and copies were forwarded to the registrar supreme court of Pakistan. DHA accepted in May 2010 (**Annex G**) that Public Procurement Rules 2004 were not used by DHA in award of Contracts to M/S Bahria Town as these rules are not applicable on DHA Islamabad.


This stand of DHA Islamabad is negated by Ministry of Defense ("MoD") and GHQ has taken serious views of such violations and has issued orders to all departments including all DHAs vide letter no. MOD D-18 Section U.O. No. 2/2/D-18/2009 dated January 31st, 2011 and o5/MoD/PPRQ/WR-7 dated 12 Feb. 2022, to strictly follow Public Procurement Rules 2004, and that head of the department/organization shall be held personally accountable on any violation of Public Procurement Rules 2004 (**Annex H**) .

All such alleged fraudulent practices by Builders/Developers , as confirmed by CDA vide the public warning, has to be stopped once and for all by regulatory bodies, such as CDA, CCP, SECP, DHA, SBCA etc. But it is very unfortunate that non of these agencies have ever taken legal courses of action in the compliance of their mandatory duties, and public has been and is being fleeced with such alleged fraudulent practices of builders, and specially M/S Bahria Town.

In the interest of the public and for across the board application of Rule of Law, we request the Honorable Chief Justice to take suo moto notice to save hard earned money of public which might be swindled by the company. In order to ensure across the board application of PPRA Ordinance 2002 and Public Procurement Rules, 2004 in the country, the Honourable Supreme Court of Pakistan in orders of the Suo Moto Case No.5 of 2010 for GDF Suez supply of LNG, dated 28 April 2010 gave following remarks;

"Here we may observe that it is duty of the Court to ensure that the Public Procurement Regulatory Authority Ordinance, 2002 read with the Public Procurement Rules, 2004 are adhered to strictly to exhibit transparency.

Yours sincerely,



Syed Adil Gilani
Advisor

Encl: 8 Annexures A to H.