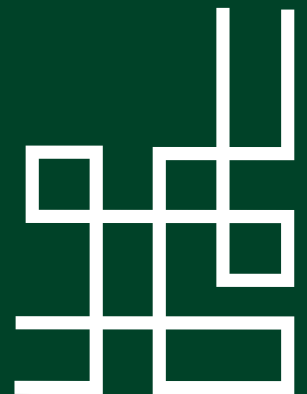
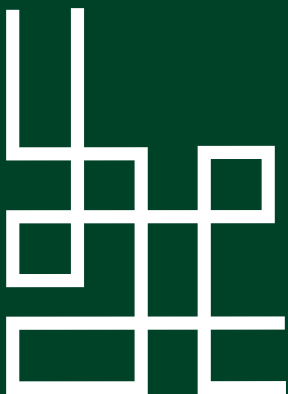


YEARBOOK 2022-2023



Government of Pakistan
Ministry of Privatisation
Privatisation Division
Islamabad





“IN THE NAME OF ALLAH THE MOST BENEFICENT THE MOST MERCIFUL”



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The team that compiled this Year book is especially thankful to the Minister for Privatisation and the Secretary, Privatisation Division for providing guidance, patronage and spearheading the work of the team.

Disclaimer

The information contained in this report is based on historical facts and other forward-looking statements based on management's views of the period for which this report has been prepared. The assumptions involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. The information contained in this report may not be utilized for any other purpose except for which it has been prepared.

ACRONYMS

| | |
|--------|---|
| BESOS | Benazir Employees Stock Option Scheme |
| Bol | Board of Investment |
| CCI | Council of Common Interests |
| CCoP | Cabinet Committee on Privatisation |
| CPs | Condition precedents |
| CPPA-G | Central Power Purchasing Agency (Guarantee) Limited |
| DFIs | Development Finance Institutions |
| DISCO | Distribution Company (Power) |
| ECO | Economic Cooperation Organization |
| EOI | Expression of Interest |
| FA | Financial Advisor |
| FDI | Foreign Direct Investment |
| FESCO | Faisalabad Electricity Supply Company |
| FPCCI | The Federation of Pakistan Chamber of Commerce & Industry |
| FY | Financial / Fiscal Year |
| GENCO | Generation Company (Power) |
| GHS | Golden Handshake Scheme |
| G oP | Government of Pakistan |
| HBFCCL | House Building Finance Company Limited |
| HEC | Heavy Electrical Complex |
| ICP | Investment Corporation of Pakistan |
| IESCO | Islamabad Electric Supply Company |
| IMF | International Monetary Fund |
| IPO | Initial Public Offering |
| KAPCO | Kot Addu Power Company |
| KE | Karachi Electric |
| LESCO | Lahore Electric Supply Company |
| LoA | Letter of Acceptance |
| LPG | Liquified Petroleum Gas |
| MRTA | Management Right Transfer Agreement |
| NEPRA | National Electric Power Regulatory Authority |
| NICL | National Insurance Company Limited |
| NITL | National Investment Trust Limited |
| NIRC | National Industrial Relations Commission |
| NPCC | National Power Construction Corporation |
| NPGCL | Northern Power Generation Company Limited |

| | |
|--------|--|
| NPPMCL | National Power Parks Management Company Limited |
| OGDCL | Oil and Gas Development Company Limited |
| OGRA | Oil and Gas Regulatory Authority |
| PARC | Pakistan Agricultural Research Council |
| PC | Privatisation Commission |
| PD | Privatisation Division |
| PEPCO | Pakistan Electric Power Company |
| PIA | Pakistan International Airlines |
| PICIC | Pakistan Industrial Credit and Investment Company |
| PMDC | Pakistan Mineral Development Corporation |
| PMTF | Pakistan Machine Tool Factory |
| PO | Public Offering |
| PPL | Pakistan Petroleum Limited |
| PPP | Public Private Partnership |
| PPMC | Pakistan Planning and Monitoring Company |
| PSE | Public Sector Enterprises |
| PSMC | Pakistan Steel Mills Corporation |
| PSO | Pakistan State Oil |
| PTCL | Pakistan Telecommunications Company Limited |
| QIB | Qualified Institutional Buyer |
| RFP | Request for Proposals |
| RSOQ | Request for Statement of Qualifications |
| SBP | State Bank of Pakistan |
| SECP | Securities and Exchange Commission of Pakistan |
| SITE | Sindh Industrial Trading Estate |
| SME | Small and Medium Enterprises |
| SMEDA | Small and Medium Enterprises Development Authority |
| SNGPL | Sui Northern Gas Pipelines Limited |
| SOEs | State Owned Enterprises |
| SOQ | Statement of Qualifications |
| SPA | Share Purchase Agreement |
| SPO | Secondary Public Offering |
| SPV | Special Purpose Vehicle |
| SSGC | Sui Southern Gas Company |
| VSS | Voluntary Separation Scheme |

VISION

To promote private sector participation in efficient management of Public Sector Enterprises through privatisation process, facilitating the government to focus on socio-economic development of the Country.



**PRIVATISATION
DIVISION**



1. PRIVATISATION DIVISION



1.1 Introduction

The Privatisation Division (PD) was created on November 28, 2000 to administer activities of the Privatisation Commission (PC), governed under the Privatisation Commission Ordinance 2000, which is the executive arm of all privatisation and related activities. In November 2002, the scope of the Ministry was expanded by attaching the Board of Investment to it. Later on, in October 2007, the Division was bifurcated into the 'Privatisation Division' and 'Investment Division', under the same Ministry. On December 08, 2008, Investment Division was created as a separate Ministry. In 2013, the 'Ministry of Privatisation' was abolished and it was merged with the newly created Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatisation. Subsequently, in August 2017, the Ministry of Privatisation was re-established.

1.2 Assignments of the Division

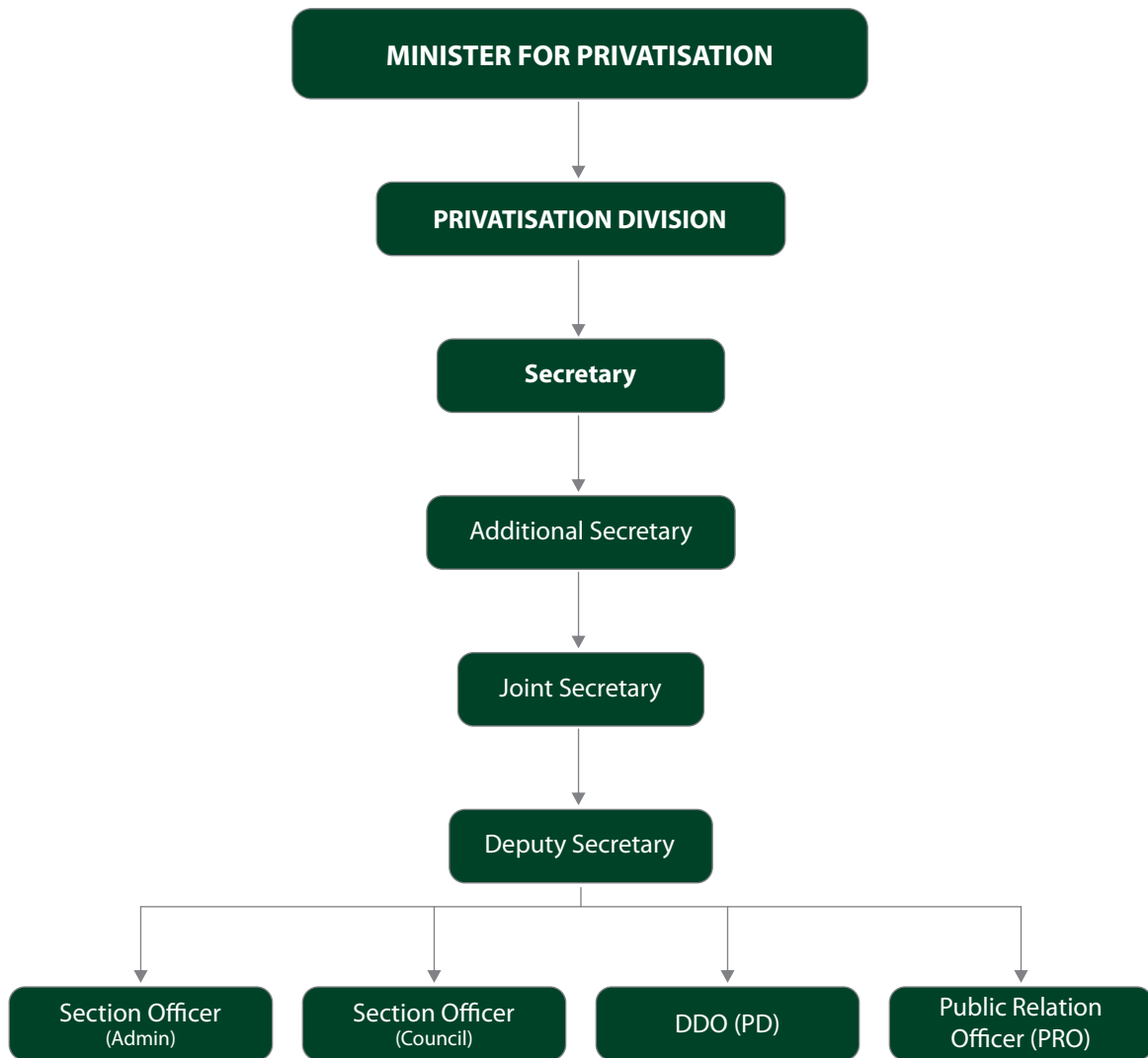
The Rules of Business, 1973 mandate Privatisation Division for:

- i. Privatisation Policies.
- ii. The Transfer of Managed Establishment Order, 1978.
- iii. Administration of Privatisation Commission Ordinance, 2000.
- iv. Negotiation with International Organizations relating to the functions of privatisation in consultation with the Economic Affairs Division.
- v. Any item incidental or ancillary to the above.

1.3 Privatisation Division's Human Resource

| S. # | Designation | Scale | Sanctioned Strength |
|--------------|-----------------------------|-------|---------------------|
| 1. | Secretary | 22 | 1 |
| 2. | Additional Secretary | 21 | 1 |
| 3. | Joint Secretary | 20 | 1 |
| 4. | Deputy Secretary | 19 | 1 |
| 5. | Section Officer | 17/18 | 2 |
| 6. | Public Relations Officer | 17/18 | 1 |
| 7. | Accounts Officer/DDO | 17/18 | 1 |
| 8. | Private Secretary | 17/18 | 3 |
| 9. | Superintendent | 17 | 1 |
| 10. | Assistant Private Secretary | 16 | 10 |
| 11. | Assistant | 15/16 | 6 |
| 12. | Steno typist | 14 | 4 |
| 13. | Telex/Fax Operator | 11 | 1 |
| 14. | UDC | 11 | 2 |
| 15. | Telephone Operator | 9 | 2 |
| 16. | LDC | 9 | 11 |
| 17. | Record Sorter | 7 | 1 |
| 18. | Bearer | 5 | 2 |
| 19. | Staff Car Driver | 4/5 | 5 |
| 20. | Dispatch Rider | 4/5 | 2 |
| 21. | Qasid | 2/3 | 4 |
| 22. | Daftari | 2/3 | 1 |
| 23. | Naib Qasid/ Farash | 1/2 | 16 |
| 24. | Sweeper | 1/2 | 2 |
| Total | | | 81 |

ORGANOGRAM
MINISTRY OF PRIVATISATION
(PRIVATISATION DIVISION)





**PRIVATISATION
COMMISSION**



2. PRIVATISATION COMMISSION



2.1 Introduction

On 22 January 1991, the Privatisation Commission (PC) was established a semi-independent wing under the Finance Division to implement the privatisation policy of the Federal Government. Subsequently, on 28 September, 2000 the Privatisation Commission Ordinance, 2000 (The “Ordinance”) was promulgated and the Commission was converted into a body corporate, which further strengthened its legal authority for implementing the government's Privatisation Programme.

The Commission is entrusted with the task of privatising federal government assets such as its shares in banks, industrial units, public utilities, oil, gas and transport companies, and infrastructure service providers in an open and transparent manner. The Ordinance has vested decision making powers to the Privatisation Commission Board (PC Board), consisting of eminent professionals from the public and private sectors. The recommendations taken by the PC Board are placed before the Cabinet Committee on Privatisation (CCOP) for approval, which are subsequently presented to the Federal Cabinet for approval/ratification.

2.2 Functions of Privatisation Commission

The functions and powers of the Commission, as enumerated in Section 5 of the Ordinance, are as under:

- a) recommend privatisation policy guidelines to the Cabinet;
- b) prepare a comprehensive privatisation programme for the approval of the Cabinet;
- c) plan, manage, implement and control the privatisation programme approved by the Cabinet;
- d) prepare and submit reports to the Cabinet on all aspects of the privatisation programme;
- e) facilitate or initiate legislation as approved by the Cabinet, by or on behalf of concerned Ministry in connection with the privatisation programme;
- f) provide overall directions for the implementation of privatisation related activities including, restructuring, deregulation and post-privatisation matters in sectors designated by the Cabinet;
- g) take operational decisions on matters pertaining to privatisation, restructuring, deregulation, regulatory issues including approval of licensing and tariff rules and other related issues pertaining to the privatisation programme approved by the Cabinet;
- h) issue directions and instructions to the management of a business undertaking falling within the purview of the privatisation programme approved by the Cabinet on all major important administrative, financial, reporting and policy matters;
- i) publicize the activities of the privatisation programme;
- j) propose a regulatory framework, including the establishment and strengthening of regulatory authorities, to the Cabinet for the independent and fair regulation of each industry sector falling within the purview of the privatisation programme;
- k) advise the Federal Government in selection and appointment of the head and a member of a regulatory authority;
- l) advise the Federal Government that monopolies are not created in the process of privatisation;
- m) appoint advisors, consultants, valuers, lawyers and such other staff, both local and foreign, on such

- terms as it may determine to discharge its functions under this Ordinance;
- n) approve and take decisions and perform all acts to implement pre-privatisation restructuring, labor rehabilitation and severance schemes, and all other related matters as approved by the Cabinet;
 - o) invite applications for the privatisation and ensure widest possible participation;
 - p) evaluate bids received according to the criteria determined by the Commission from time to time and formulate recommendations for consideration by the Cabinet;
 - q) recommend for the Federal Government such labor and man-power rehabilitation programmes as may be necessary during privatisation and to develop a roster of such employees who may need rehabilitation;
 - r) advise measures to the Federal Government for improvement of public sector units until their privatisation;
 - s) assist in the implementation of Federal Government policies on deregulation and privatisation and advise the Federal Government on deregulating the economy to the maximum possible extent; and
 - t) perform such other functions that are incidental or ancillary to carry out the privatisation programme approved by the Cabinet.

2.3 Privatisation Commission's Human Resource

a) Regular Human Resource

| Sr. No. | PC Scale | Designation | Number of Posts |
|---------|----------|-----------------------------|-----------------|
| 1 | | Chairman | 1 |
| 2 | 22 | Secretary | 1 |
| 3 | 21 | Executive Director General | 1 |
| 4 | 20 | Director General | 4 |
| 5 | 19 | Director | 4 |
| 6 | 18 | Deputy Director | 3 |
| 7 | 17 | Public Relation Officer | 1 |
| 8 | 17 | Private Secretary | 3 |
| 9 | 17/18 | Accounts Officer | 2 |
| 10 | 17 | Sr. Technical Assistant | 3 |
| 11 | 16/17 | Superintendent | 1 |
| 12 | 16 | Technical Assistant | 21 |
| 13 | 16 | Accountant | 1 |
| 14 | 16 | Assistant Private Secretary | 10 |
| 15 | 16 | Senior Auditor | 2 |
| 16 | 15/16 | Assistant | 11 |
| 17 | 11 | Upper Division Clerk | 3 |
| 18 | 9 | Telephone Operator | 2 |
| 19 | 9 | Lower Division Clerk | 12 |
| 20 | 9 | Electrician | 1 |
| 21 | 7 | Photostat Machine Operator | 3 |
| 22 | 7/10 | Record Sorter | 1 |

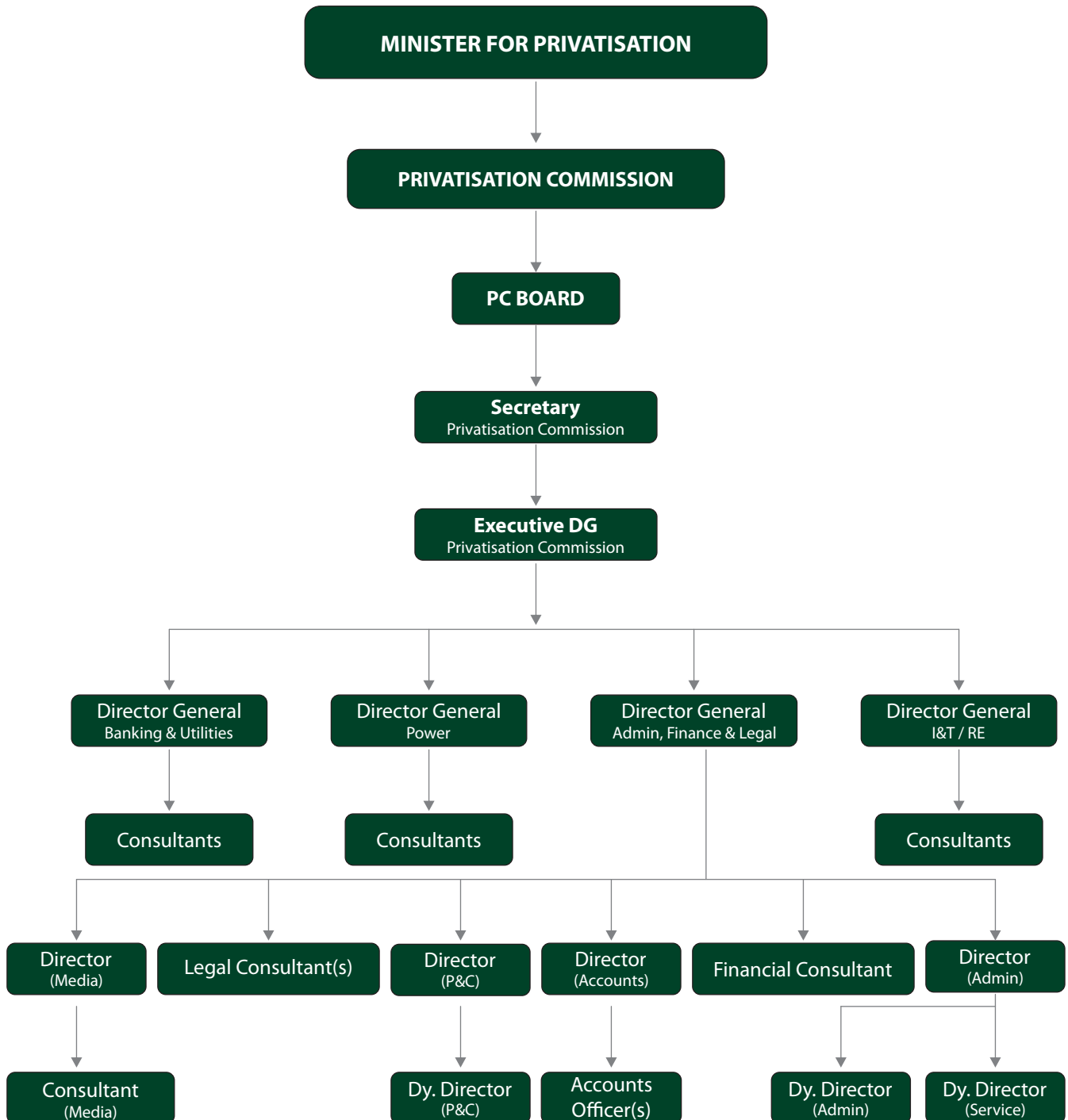
| | | | |
|---------------|---|------------------|------------|
| 23 | 4 | Staff Car Driver | 12 |
| 24 | 4 | Dispatch Rider | 3 |
| 25 | 3 | Daftary | 1 |
| 26 | 2 | Qasid | 2 |
| 27 | 1 | Naib Qasid | 28 |
| 28 | 1 | Sweeper | 6 |
| Total: | | | 143 |

b) Contractual Human Resources

| S. # | Designation | Grade | Number of Posts |
|------|----------------------------------|-------|-----------------|
| 1 | Sr. Consultant | G-I | 5 |
| 2 | Consultant / Transaction Manager | G-II | 7 |
| 3 | Consultant | G-III | On need basis |

ORGANOGRAM

MINISTRY OF PRIVATISATION (PRIVATISATION COMMISSION)



2.4) Regulatory and Governance Structure

a) Board of Privatisation Commission

The Privatisation Commission is a body corporate, managed by its Board headed by a Chairman. Section 6 of the Privatisation Commission Ordinance, 2000 provides that:

“the general management and administration of the Commission shall vest in its Board. The Board shall consist of the Chairman, the Secretary and six other members, or such other higher number as may be determined by the Federal Government”.

Currently, the Board comprises of Chairman, a Secretary and nine (09) Members. The Members are known professionals of various disciplines with distinguished careers in relevant fields. The Secretary, Privatisation Commission is the ex-officio member of the PC Board and also acts as its Secretary.



Mr. Abid Hussain Bhayo
Chairman



Dr. Ahmed Mujtaba Memon
Secretary



Mr. Ashfaq Yousuf Tola
Member



Engr. Memon Abdul Jabbar
Member



Mr. Etrat Hussain Rizvi
Member



Mr. Khurram Schehzad
Member



Mr. Zafar Iqbal Sobani
Member



Mr. Naseer Ahmad Akhtar
Member



Mr. Zafar Iqbal
Member



Mr. Arsallah Khan Hoti
Member



Mr. Yawar Irfan Khan
Member

b) Cabinet Committee on Privatisation (CCoP)

Mandate of the CCoP is to guide/advise and streamline functioning of Privatisation Commission. It also serves as a forum for taking strategic decisions on privatisation and monitors progress of various transactions. All major decisions taken regarding the privatisation process are placed before the Federal Cabinet for ratification through the Cabinet Committee on Privatisation.

Composition of CCoP*

| | | |
|-----|--|----------|
| 1. | Minister for Finance & Revenue | Chairman |
| 2. | Minister for Privatisation | Member |
| 3. | Minister for Communications | Member |
| 4. | Minister for Power | Member |
| 5. | Minister for Law & Justice | Member |
| 6. | Minister for Industries & Production | Member |
| 7. | Minister for Commerce | Member |
| 8. | Minister for Railways & Aviation | Member |
| 9. | Minister for Science & Technology | Member |
| 10. | Minister for Planning, Development and Special Initiatives | Member |
| 11. | Minister for Defence | Member |
| 12. | Minister of Division concerned | Member |

By Special Invitation/ Co-Opted:

| | |
|-----|--|
| 1. | SAPM on Finance |
| 2. | SAPM on Revenue |
| 3. | SAPM on Government Effectiveness |
| 4. | Governor, State Bank of Pakistan |
| 5. | Chairman, Privatisation Commission |
| 6. | Chairman, SECP |
| 7. | Secretary, Privatisation Division |
| 8. | Secretary, Power Division |
| 9. | Secretary, Petroleum Division |
| 10. | Secretary, Commerce Division |
| 11. | Secretary, Communications Division |
| 12. | Secretary, Finance Division |
| 13. | Secretary, Industries & Production Division |
| 14. | Secretary, Law & Justice Division |
| 15. | Secretary, Planning, Development and Special Initiatives |

*Issued vide notification No F.5/6/2022-Com, dated 01.06.2022 and subsequent amendments dated 15.06.2022 and 02.08.2022

Terms of Reference:

- i) To formulate the Privatisation Policy for approval of the Government / Cabinet.
- ii) To approve the State-Owned Enterprises to be privatised on the recommendation of the Privatisation Commission or otherwise.
- iii) To take policy decisions on inter-ministerial issues relating to the privatisation process.
- iv) To review and monitor the progress of privatisation.
- v) To instruct the Privatisation Commission to submit reports/information/data relating to the privatisation process or any matter relating thereto.
- vi) To take policy decisions on matters pertaining to privatisation, restructuring,

- deregulation, regulatory bodies and the Privatisation Fund Account.
- vii) To approve the reference price in respect of the State-Owned Enterprises being privatised.
 - viii) To approve successful bidders.
 - ix) To consider and approve the recommendations of the Privatisation Commission on any matter.
 - x) To assign any other task relating to privatisation to the Privatisation Commission.

c) Council of Common Interests (CCI)

The Council is mandated to formulate and regulate policies in relation to matters contained in Part II of the Federal Legislative List and exercise supervision and control over related institutions.

Decisions of the Council are expressed in terms of opinion of the majority. The public sector entities/ interests etc. contemplated for privatisation are brought before the CCI for its approval before submission to the Federal Cabinet.

Composition of CCI*

| 1. | The Prime Minister | Chairman |
|----|--|----------|
| 2. | The Chief Minister, Balochistan | Member |
| 3. | The Chief Minister, Khyber Pakhtunkhwa | Member |
| 4. | The Chief Minister, Punjab | Member |
| 5. | The Chief Minister, Sindh | Member |
| 6. | Minister for Planning, Development & Special Initiatives | Member |
| 7. | Minister for Commerce | Member |
| 8. | Minister for Railways & Aviation | Member |

*Issued vide notification No 1(2)/2010-CCI, dated 13.05.2022

Approval of Privatisation Programme by CCI

The CCI in 1997 and 2006 approved a broad-based privatisation programme including PSEs in various sectors like Banking and Finance, Oil and Gas, Power, Infrastructure, Transport, Industries and Production etc.

Moreover, after the 18th Constitutional Amendment, PC sought approval of the CCI for privatisation of all power generation companies (GENCOs) and power distribution companies (DISCOs) in 2014. Further, CCI also accorded approval for inclusion of two (02) RLNG Power Plants namely 1223 MW Balloki Power Plant and 1230 MW Haveli Bahadur Power Plant in the Active Privatisation List in January, 2019.



**PERFORMANCE AND
ACHIEVEMENTS**

3. PERFORMANCE AND ACHIEVEMENTS

(From inception till date)

Since 1991, Privatisation Commission has completed 178 privatisation transactions and generated privatisation proceeds of Rs. 649,114 million. Sector wise details are as under:

| Sector | Transactions | Sale Price 1991 to June 2022 Amount (Rs. in million) |
|----------------------------|--------------|--|
| Banking | 7 | 41,023 |
| Capital Market Transaction | 26 | 303,494 |
| Energy | 15 | 54,273 |
| Telecom | 4 | 187,024 |
| Automobile | 7 | 1,102 |
| Cement | 17 | 16,177 |
| Chemical | 16 | 1,643 |
| Engineering | 7 | 183 |
| Fertilizers | 7 | 40,281 |
| Ghee Mills | 24 | 842 |
| Rice | 8 | 236 |
| Roti Plants | 15 | 91 |
| Textile | 4 | 371 |
| Newspapers | 5 | 271 |
| Tourism | 4 | 1,805 |
| Others | 6 | 158 |
| Real Estate Properties | 6 | 141.43 |
| Total | 178 | 649,114 |



**ON-GOING
PRIVATISATION PROGRAMME**

4. ON-GOING PRIVATISATION PROGRAMME

The present Government is focusing on a wide-ranging reforms agenda to make the PSEs more efficient in terms of operations and service delivery. The current privatisation programme was approved by the Cabinet Committee on Privatisation (CCoP) on 31st October, 2018 and ratified by the Federal Cabinet on 1st November, 2018. It is being reviewed periodically by Privatisation Commission and the CCoP. The current programme includes privatisation / divestment of twenty (20) PSEs belonging to sectors like Energy, Finance/ Banking, Insurance, Industries, Hospitality etc. In addition, twenty-seven (27) properties/ assets of various Ministries/ Divisions are also included for sale through open auction.

The privatisation process is executed as per the provisions contained in the Privatisation Commission Ordinance, 2000 and the Rules/Regulations made thereunder. The objective is to:

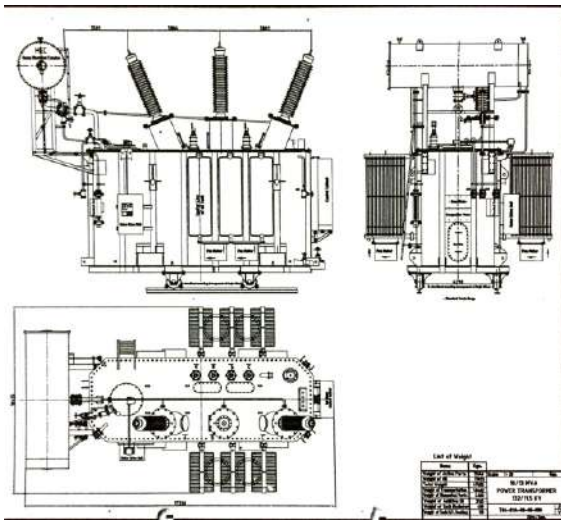
- a) Improve the operational efficiency and overall performance of entities proposed to be privatised and to promote competition.
- b) Reduce financial burden the Government by public enterprises and to release resources for utilization on alternate urgent requirements like social sectors and development of physical and technological infrastructure, thereby accelerating the pace of industrialization.
- c) Promote and strengthen capital market by broadening and deepening its base by enlarging the number of shareholders.

Keeping in view the approved privatisation plan of a PSE / Asset, the Privatisation Commission executes the privatisation process in consultation with concerned stakeholders, including administrative & line Ministry / Division, PSE Management, and Sectoral Regulators. During execution period, foremost challenge is the high-level of dependency on completion of each milestone by the relevant stakeholders. Also, many of the entities enlisted for privatisation are not ready for privatisation and lack basic and essential requirements such as incomplete title deeds, unavailability of updated financial accounts, non-existent Board of Directors etc. Despite all such constraints, the Commission is fully committed to steer the privatisation programme while upholding the standards of transparency and fairness in compliance with the existing legal framework so as to establish credibility and restore confidence of the investors and other stakeholders.

A brief status of the ongoing transactions of Privatisation Commission is as follows:

4.1) Heavy Electrical Complex (HEC)

Heavy Electrical Complex is a Private Limited Company located in Hattar Industrial Estate and owned by State Engineering Corporation (SEC), Pakistan. It started its commercial operations in 1998 preparing high voltage electric transformers used by electricity distribution companies. The company manufactures electrical equipment mainly used in 132KV and 66KV sub-stations and grid-stations of high voltage power supply systems. HEC also specializes in the repair of Power Transformers in the range of 250MVA, 132/220/500KV and offers its clients, repair facilities, assistance in installation and commissioning of the equipment and diagnostic inspection and testing of damaged transformers at site.



4.1.1) Privatisation Process

CCoP in its meeting held on 8th August, 2019 placed HEC on Active Privatization List. Expression of Interest (EOI) for hiring of Financial Advisors Consortium (FAC) was advertised on 29th August, 2019. A consortium jointly led by M/s Bridge Factor & NBP was appointed in January 2020. CCoP approved the transaction structure on 16th November, 2020 and Federal Cabinet ratified sale of all government shares (96.6%) in its meeting held on 01st December, 2020.

The EOI was published in December, 2020. 14 parties submitted their EOI; 12 were pre-qualified for seeking Statements of Qualification (SOQ); 7 out of 12 submitted their SOQs out of which six (06) parties were eventually pre-qualified for the next phase. Buyer-side due diligence was carried out from April 2021 to July 2021 wherein access was allowed to the Virtual Data Room which contained all corporate, legal and financial information. Two prequalified parties, M/s El-Sewedy and M/s Associated Tech. Pvt. later withdrew from the process and the next stage of bidding.

The four (4) pre-qualified parties were invited to submit their intention to bid by submitting the required bidding documents by due date and deposit earnest money of PKR 50 million each. Out of 04 three (3) pre-qualified bidders participated in the bidding process namely (i) M/s IMS Engineering (Pvt.) Limited with bid of Rs. 99.999 / share, (ii) Waves-Singer Pakistan Limited with Bid of Rs. 26.25 per share, (iii) Pak Elektron Limited (PEL) with Bid of Rs. 17.731 per share

The PC Board in its meeting held on 22nd February, 2022 unanimously recommended to CCoP/ Cabinet the sale of all government shares (96.6%) in HEC to the highest bidder i.e M/s IMS Engineering Pvt Ltd at a share price of Rs 99.99 and total bid price of Rs. 1,410,000,000/- (Rupees one billion four hundred and ten million only). CCoP in its meeting held on 24th February, 2022 approved the highest bid of M/s IMS Engineering (Pvt.) Limited with the direction that the land leased to HEC by KPEZDMC shall be used only for



manufacturing of electrical goods as per the terms and condition of the lease. The Federal Cabinet ratified the decision of the CCOP on 14th March, 2022. The Letter of Acceptance was issued to IMS on 20th March, 2022, followed by Issuance of Notice to Sign the Share Purchase Agreement (SPA) along with the initial deposit by the IMS Engineering Pvt Ltd on 01st April, 2022. On the same day, tripartite SPA was signed among purchaser, seller (State Engineering Corp.) and Privatisation Commission.

Owing to completion of purchaser completion documents including the responsibilities of purchase and seller as per schedule III of SPA, the transaction will be successfully closed in due course.



4.2) Services International Hotel (SIH)

The property is a four-story structure with a built-up area of 93,850 Sq ft spreading over an area of 15 Kanals and 3 Marlas. It is located at Upper Mall Road of Lahore, opposite Civil Services Academy. It is surrounded by upper class residential area, with major traffic arteries including Canal Road, Mall Road and Jail Road in near vicinity.



4.2.1) Privatisation Process

CCoP in its meeting held on 31st October, 2018 included Services International Hotel in the Active Privatisation List. Financial Advisory Services Agreement (FASA) for processing privatisation of the hotel was signed with Colliers Pakistan (Pvt) Limited, Elixir Securities Pakistan (Private) Limited and Mohsin Tayebaly & Co. in July, 2019. Expression of Interests (EoI) was invited in September 2020 and in response, six potential investors were pre-qualified. Reserve price of Rs. 2,250,000,000/- for the property was approved by the Federal Cabinet in March 2021. After completion of the buyer-side due diligence, a Pre-Bid meeting was held in April 2021, where the bidders showed inability to participate in the bidding due to high reserve price.

In May 2021, CAA/ PAF reduced the allowable building height from 310 ft. to 245 ft due to change in CAA rules. The revised reference price and transaction structure for open auction were approved by the PC Board and subsequently, approved by CCoP/ Federal Cabinet in June-July 2021. Fresh EoIs for the open auction of Services International Hotel, Lahore in line with the revised reserve price was published in



August 2021. Open auction was held on 26th August, 2021 wherein two parties participated in the bidding process. M/s. Faisal Town Pvt. Ltd. submitted the highest bid of Rs.1,951,718,500. The CCoP approved the bidder and the bid price on 10th October, 2021, while the Federal Cabinet ratified the decision on 27th October, 2021. After the issuance of Letter of Acceptance, the buyer

deposited full amount in January 2022. A few legal formalities are in progress for signing of the agreement and transfer of property, prior to financial closure of the transaction.

4.3) Sale of Properties / Assets Owned by Federal Government Organizations

The Federal Cabinet on 26th February, 2019 and 07th March, 2019 directed all Ministries/Divisions for identification of three (03) properties each, free of all encumbrances, for the purpose of their disposal. An Inter-Ministerial / Asset Management Committee (AMC) was also constituted to oversee the identification and privatisation of Federal Government properties. After a thorough consultative exercise, 32 properties of 09 Ministries/Divisions/Organizations were selected by AMC for disposal in Phase-I having an estimated value of Rs. 12.00 billion.

4.3.1) Privatisation Process

In compliance to the Federal Cabinet decision of 03rd June, 2019, Privatisation Commission hired M/s Riaz Ahmad & Company consortium as Financial Advisor after completing due procurement process under PPRA and the PC Hiring of Financial Adviser Regulations, 2018. The Financial Advisory Services Agreement was signed on 18th October, 2019. Legal, financial and technical due-diligence reports were submitted by the FA on 07th January, 2020.

The Transaction Structure and reserve values for the sale of 27 properties were approved by the Federal Cabinet. The advertisement for the auction of the properties was published in the press on 08th March, 2020 but due to COVID-19 outbreak the process was deferred, which was later resumed during September, 2020. As a result of the auction process, 23 properties were successfully auctioned fetching a bid price of Rs. 1.113 billion. The bidding process was approved by CCoP on 16th November, 2020 and by the Federal Cabinet on 01st December, 2020. Out of 23 auctioned properties, the bidders of 10 properties deposited complete sale proceeds

amounting to Rs. 920.8 million, whereas the bidders of 13 properties conveyed their inability to deposit the bid amounts. Accordingly, their earnest money amounting to Rs. 13 million was forfeited. The Privatisation Commission has initiated process for the re-auctioning of available 17 properties and hired the services of



Financial Advisory Consortium comprising (i) HLB Ijaz Tabussum & Co., Chartered Accountants (LEAD) (ii) HLB Consulting (Pakistan) (Pvt) Ltd (transaction/financial advisers) (iii) Vellani & Vellani (law firm) (iv) Oceanic Surveyors (Pvt) Ltd (valuer) after completing due procurement process under the Privatisation Commission Ordinance, 2000.

The Financial Advisory Consortium has submitted fresh legal and financial due diligence reports including valuation which was considered by the Chairman of the transaction committee who further directed to furnish certain deliverables including fresh marketing plan, transaction structure and certain deliverables by the controlling ministries in form of issuance of NOC/NEC. Post seeking resolution on all matters, the privatisation process will be resumed accordingly.

4.4) Pakistan Steel Mills Corporation (PSMC)

Pakistan Steel Mills Corporation (Pvt.) Limited, is wholly owned by the Government of Pakistan, located at 40 KMs South-East of Karachi at Bin Qasim. It is Pakistan's largest integrated steel manufacturing plant having designed production capacity of 1.1 million tonnes per annum (MTPa), with an expansion potential of up to 3.0 MTPa.



4.4.1) Privatisation Process

Privatisation Commission (PC) appointed consortium of Pak China Investment Company & BOC International and signed the Financial Advisory Services Agreement (FASA) in January 2020.

On the recommendation of PC Board, Cabinet Committee on Privatization (CCOP) in December 2020 approved the transaction structure, envisaging transferring of identified core operating assets into wholly owned subsidiary of PSMC through Scheme of Arrangement (SOA) (as provided in the Companies Act 2017) followed by sale of majority shares of the newly formed subsidiary (without transferring full ownership) to Strategic Private Sector Partner.

Accordingly, Steel Corp (Pvt.) Limited was incorporated in June 2021 and CCOP on 10th August 2021 approved the detailed features of the transaction, including the following:

- i. Quantum of range of equity stakes of new subsidiary namely Steel Corp (Pvt) Ltd shall be 51-74% for divestment through bidding process.
- ii. PSMC has identified tentative land measuring 1,229 acres situated at Deh Pipri and Bakran, Taluka Bin Qasim, District Malir, Karachi, Sindh, owned by and/or leased to, PSMC, as more particularly described in Schedule IV (Description of PSM Core Land) of SOA ("PSM Core Land"), where Core Operating Assets including the Steel Plant are situated, and is expected to cater production capacity enhancement up to 3 MTPa. PSMC core land shall be leased by PSMC to the Steel Corp through a land lease deed on arm's length basis. The draft land lease deed including the commercial terms and conditions will be made available to pre-qualified bidders as part of the bidding documents for their review and comments. The land lease deed shall be finalized prior to the bidding process.
- iii. The Use of the Jetty (including any expansion / extension thereof) and Conveyor Belt System (including any expansion / extension thereof) shall be made available to Steel Corp on arm-length basis. The draft jetty-related agreement including the commercial terms and conditions will be made available to the pre-qualified bidders as part of the bidding documents for their review and comments. The agreement will be finalized prior to the bidding process.
- iv. The existing utility connections (electricity and gas) and power generation license will be

transferred to Steel Corp via SOA without encumbrance. Availability of indigenous gas or RLGN to Steel Corp will be confirmed by the Supplier i.e. Sui Southern Gas Company Limited at prevailing tariffs. PSMC shall install a new dedicated meter for a supply of fresh water to Steel Corp.

In compliance to CCOP decision, PSMC and Steel Corp filed SOA with Securities Exchange Commission of Pakistan on 27th August, 2021 and PC invited Expression of Interest (EOI) on 31st August, 2021. Following four as Pre-Qualified Bidders, all from mainland China, were Pre-Qualified in 2022:



- i. BaoSteel Group Xinjiang Bayi Iron & Steel Co. Ltd (“Bayi Steel”).
- ii. Tangshan Donghua Iron and Steel Enterprise Group Co. Ltd (“Donghua”).
- iii. Tianjin Jianlong Iron and Steel Industry Co. Ltd. & MCC International Incorporation Ltd (“Jianlong & MCC”).
- iv. Maanshan Iron and Steel Co. Ltd (“Maanshan”).

Donghua visited Pakistan in August – September 2022 to conduct the on-site visit of the Steel Mills Plant, Iron Ore & Coal Berth Jetty (IOCB), allied facilities & infrastructure; and had held meetings with the concerned stakeholders i.e., Ministry of Industries & Production, Ministry of Maritime Affairs, Ministry of Finance, Ministry of Commerce, National Tariff Commission, Federal Board of Revenue, State Bank of Pakistan, Port Qasim Authority, Pakistan Steel Mills Corporation, etc. The four key transactional agreements were uploaded on the VDR in September 2022. One of the Pre-Qualified Bidder has submitted its initial comments on these draft agreements, the responses were prepared in consultation with relevant stakeholders.



4.5) Jinnah Convention Centre

Located in the capital city of Islamabad, JCC is the largest exhibition and convention centre of Pakistan. It hosts most of the large-scale conventions, events, meetings and exhibitions in Islamabad. JCC comprises 7.59 acres land with a built-up area of 4.13 acres and the total seating capacity of 2,080 individuals with 350 seats for VIPs. Capital Development



Authority (CDA) has been maintaining the JCC building by renting out the Convention Center facilities to both public and private sectors organizations for different activities.

4.5.1) Privatisation Process

The Cabinet Committee on Privatisation (CCoP) in its meeting held on 31st October, 2018 approved the sale of JCC as part of Federal Government's Active Privatisation Programme. Resultantly, Financial Advisory Consortium (EY Ford Rhodes, Haidermota & Co. and Oceanic Surveyor) was appointed on 12th December, 2019 and Due Diligence Report was submitted by the FAC on 04th May, 2020. On 21st August, 2020, CCoP approved the transaction structure which included CDA's input, and was ratified by the Federal Cabinet on 01st September, 2020.



Subsequently, Privatisation Commission (PC) invited Expression of Interest (EOI) and PC-Board in its meeting held on 11th August, 2021 pre-qualified 12 potential investors. However, despite of issuance of NOC, CDA raised serious observations on the transaction structure in its Board meeting held on 26th July, 2021, 25th November, 2021 & 16th February, 2022 hence halting the entire privatisation process. Post

detailed deliberations on various forums including Senate; a decision was taken with regards to provision of public infrastructure and utilities by CDA/concerned public agencies. The privatisation of JCC will be re-initiated after addressing all concerns/reservations of stakeholders.

4.6) First Women Bank Limited (FWBL)

FWBL is a commercial bank with a mandate to cater for the financial and business needs of women and provide them with easy access to credit for enterprise development across all levels of economic activity, Consumers, SMEs, Commercial Entities and Corporates. It was established in 1989 with GoP holding 82.64%. The bank is operating with a network of 42 branches located across 24 cities in Pakistan.



4.6.1) Privatisation Process

The Cabinet Committee on Privatisation (CCOP) in its meeting held on 31st October, 2018 included FWBL Bank in the Active Privatisation List. The Privatisation Commission Board approved the appointment of Consortium of Bridge Factor (Pvt.) Limited, National Bank of Pakistan, Grant Thornton Anjum Rahman and Vellani & Vellani as Financial Advisors (FA) on 27th December, 2019 for the privatisation of First Women Bank Limited (FWBL).

CCoP in its meeting held on 31st October, 2018 included FWBL Bank in the Active Privatisation List. PC Board approved the appointment of consortium of Bridge Factor (Pvt) Limited, National Bank of Pakistan, Grant Thornton Anjum Rahman and Vellani & Vellani as Financial Advisors (FA) on 27th December, 2019 for the privatisation of FWBL. The CCoP in August 2020 approved the Transaction Structure which included divestment of GoP's 82.64% shares in the Bank, along with issuance of a new commercial banking license similar to the existing one and few relaxations in regulatory requirements which will be complied by the new buyer on staggered basis. The privatisation process has been subject to procrastination due to non-availability of Audited Accounts. The Audit for the previous years is on fact track and will be accomplished in due course. Post completion of the Audit exercise of the bank, PC will proceed with the privatisation process of the Bank.



4.7) House Building Finance Company Limited (HBFCL)

House Building Finance Company Limited (HBFCL) is the only housing finance institution in Pakistan, established in 1952 by the Government of Pakistan. It was corporatized in 2007 and is now an



unlisted public limited company. State Bank of Pakistan (SBP) and Government of Pakistan (GoP) jointly hold the capital of HBFCL with 90.31% and 9.69% shareholding respectively. HBFCL provides financing facilities for the construction and purchase of houses through its deep rooted and national footprint of 51 Branches, 7 Area offices, 3 Regional offices and Head Office based in Karachi.

4.7.1) Privatisation Process

The PC Board in its meeting held on 27th December, 2019 approved the appointment of consortium of MCB Bank Limited, EY Ford Rhodes, Elixir Securities Pakistan (Private) Limited and Haidermota & Co. (sub-contractor) as Financial Advisory Consortium (FAC) for the privatisation of HBFCL. The Federal Cabinet in its meeting held in December 2020 approved the Transaction Structure which included the divestment of majority stakes of up to 100% along with Management Control in HBFCL. The transaction structure also included permission to diversify its product



portfolio to include other products such as SME financing, consumer financing, leasing and asset-based financing with certain conditions upto 30% of the loan portfolio.

PC initially received Statement of Qualification of four (04) interested parties. However, after running a successful pre-qualification exercise and seeking State Bank clearance (FPT) only 01 party has been shortlisted to proceed further with the privatisation of HBFCL.



4.8) Pakistan Re-Insurance Company Limited (PRCL)

PRCL is a public listed company established in 2000, under the administrative control of the Ministry of Commerce. Its prime objective is the development of reinsurance business in Pakistan. It provides reinsurance protection to the local insurance industry in view of treaty and facultative business forwarded by the general insurance companies operating in Pakistan.

The main shareholders are Government of Pakistan (GoP) 51%; State Life Insurance Corporation of Pakistan (SLIC) 24.41% and National Bank of Pakistan (NBP) 3.93%.



4.8.1) Privatisation Process

Cabinet Committee on Privatisation (CCOP) in its meeting held on 8th August, 2019 included PRCL in the active list of entities to be privatized. Privatisation Commission Board appointed the consortium of HBL & Next Capital as Financial Advisors (FA) in January 2000. CCOP approved the Transaction Structure in August 2020 specifying the divestment of 20% GoP Shares through Secondary Public Offering (SPO) at the PSX to Institutional, High Net Worth Individuals (HNWIs) and Retail Investors (RIs). The Share Price will be determined through Book Building Method wherein 75% shares will be allocated to Institutional Investors



and HNWIs, and the remaining 25% will be offered to Retail Investors.

Due to volatile conditions and general downtrend in the Capital Markets, the process of secondary public offering has been halted. PC will proceed further after seeking directions from Federal Government.

4.9) Sindh Engineering Limited (SEL)

SEL is an automobile assembly-cum-progressive manufacturing unit which was established as Wazir Ali Engineering Ltd in 1963 in Karachi. It was nationalized in 1973 and was renamed as Sindh Engineering Ltd. The unit is owned by the GoP through Pakistan Automobile Corporation (PAC) and is administrated under Ministry of Industries and Production. The company is non-operational since 2008.



4.9.1) Privatisation Process

Cabinet Committee on Privatisation (CCoP) in August 2019, selected ten (10) PSEs for running effective privatisation programme, including SEL. Pursuant to decision of the CCoP, Privatisation Commission (PC) initiated the process of hiring Financial Advisory Consortium (FAC) for the subject transaction. However, the Financial Advisory Services Agreement ('FASA') to this effect was not executed due to inherent issues of company's property, management and operational performance (continuous losses), which require serious consideration/resolution before proceeding ahead. Post deliberation on all important matters by the PC-Board, CCoP directed the relevant stakeholders to deliberate on issues related to privatization of SEL and submit viable recommendations thereon, enabling timely privatisation of the entity. The privatisation of SEL will be initiated post resolution of its major issues.

4.10) Pakistan Engineering Company Limited (PECO)

PECO was incorporated on 15th February, 1950 under the Companies Act, 1913 (Now Companies Act, 2017) as a public limited company. Its shares are listed on Pakistan Stock Exchange. The factory of the Company is situated at Kot Lakhpat, Quaid-e-Azam Industrial Estate, Lahore. It was principally engaged in the manufacturing and sale of engineering products such as electricity transmission and communication towers, electric motors, pumps and steel rolled products etc.

Keeping in view the financial condition of the company, the GoP in the past had closed down all the divisions of the company. However, a rehabilitation plan was approved by the Federal Cabinet, according to which Structure (STR) division was kept operational and Badami Bagh Works was closed down with its land being offered for sale by the Privatization Commission. However, since 2018 no financial statements have been prepared and the company has a defaulter status as per Pakistan Stock Exchange website.

4.10.1) Privatisation Process

In compliance of CCoP decision dated August 2019, the PC Board in its meeting held on 26th August, 2019 selected ten (10) PSEs, including PECO to initiate the privatisation process. However, during the course of the transaction, several significant issues/bottlenecks pertaining to operational and financial performance of the company were observed, which were hindering the privatisation process of PECO.

Post deliberation on all important matters hindering the privatisation, by the PC-Board, CCoP directed the relevant stakeholders to deliberate on issues related to privatisation of PECO and submit viable recommendations thereon. The privatisation of PECO will be initiated post resolution of its major issues which is in progress.



4.11) National Power Parks Management Company Limited

National Power Parks Management Company Private Limited (NPPMCL) was established in 2015 and entrusted with the task to inject 2400 MW into the national system. Accordingly, the company established two Re-gasified Liquid Natural Gas (RLNG) based Combined Cycle Power Plants (CCPP); 1223 MW CCPP at Balloki, District Kasur and 1230 MW CCPP at Haveli Bahadur Shah, Jhang during 2018. The company has its offices in Lahore and Islamabad.



4.11.1) Privatisation Process

CCoP on 31st December, 2021 approved "Debt recapitalization and refinancing scheme", which was ratified by the Federal Cabinet on 11th January, 2022. Accordingly, exercise for debt refinancing of the two Power Plants was undertaken by the GoP stakeholders to refund excess GoP funding / loan as per tariff determination, through commercial borrowing for NPPMCL.

In this regard, NPPMCL on 27 & 28th January, 2022 advertised RFP package for debt recapitalization. Pre-bid meeting was scheduled on 16th February, 2022. On 21st March, 2022 NPPMCL received four (04) bids amounting to Rs.102 billion from banks consortia. The banks also shared draft "Term Sheet", completion of the same was contingent upon Condition Precedents (CPs) i.e., (i) Amendment in Implementation Agreement by PPIB, (ii) Amendment in GSA by SNGPL, (iii) Receivables of approx. Rs. 200 billion to be brought down to Industry Norm by CPPA-G/ Finance Division, and (iv) Rescheduling of PDFL Loan by PDFL, Finance Division. The bid validity period expired on 18th June, 2022 and due to non-completion of various critical CPs by the GOP stakeholders, the Debt recapitalization and refinancing process did not materialize.

Subsequently, during a meeting held on 06th December, 2022, on stock taking of Strategic Roadmap it was inter alia, directed by the Prime Minister that PC to immediately call a meeting of stakeholder to sort out issues related to privatisation of NPPMCL.

Later, the Prime Minister on 27th December, 2022 directed "PC to de-list (in coordination with relevant stake holders) NPPMCL from the effective privatisation list of Privatisation Commission". PC Board in its meeting held on 05th January, 2023 recommended delisting to CCoP. Accordingly, PD submitted a summary for CCOP for delisting of NPPMCL from privatisation programme on 06th January, 2023. Power and Finance Divisions endorsed the recommendation.

In the meeting held on 08th February, 2023 under chairmanship of the Prime Minister, Minister for Finance & Revenue/Chair CCOP highlighted that delisting is not required to divest the asset / NPPMCL under G2G arrangement. PM directed Power Division for follow up on the template of Non-Disclosure Agreement (NDA) with TAQA-UAE for fast-track approval. In a follow-up meeting chaired by SAPM on GE

held on 16th February, 2023, Power Division was asked to prepare a draft Framework Agreement for divestment of NPPMCL as required under the G2G Act, 2022, to be presented to the Cabinet Committee for Inter-Governmental Commercial Transactions for review/ consideration. Upon completion of tenure of previous political government, Cabinet Division returned the summary for CCOP dated January, 2023, on 10th August, 2023, as it was not considered by CCOP during its subsequent meeting(s).



4.12) Private Sector Participation in Management of DISCOS

There are ten (10) Power Distribution Companies on the Active Privatisation Programme. Upon change of political government, Ministry of Privatisation updated the CCoP regarding DISCOs, wherein it was apprised that since last directions of CCoP in May 2021 regarding Concession Model and Management Contract Model for DISCOs, there were certain changes in the regulatory and policy aspects which have a direct impact on the scope and structure for Private Sector Participation in Management of DISCOs. However, CCoP on 24th June, 2022 directed Power Division to take up the matter with all provinces through Ministry of Inter Provincial Coordination (IPC) for negotiations in buying of concerned DISCOs by the respective province, i.e., Provincialization of DISCOs.

In the meanwhile, Power Division in June 2022 constituted a working group for evaluation of different modalities involved in the provincialization of HESCO & SEPCO. Also, PC submitted another summary for CCoP requesting for directions regarding affirmation of the DISCOs to be offered under "Private sector participation in Management and whether private sector to be offered either supply / distribution or wire / transmission or both. Accordingly, CCoP on 13th September, 2022, directed PC to give a presentation on the report prepared by joint working group / World Bank; and Power Division to present the results of financial health of three DISCOs i.e. IESCO, HESCO & FESCO through well reputed chartered accountant firm. In compliance, PC submitted a summary for the CCoP on 28th October, 2022.

It is highlighted that in a meeting held on 06th December, 2022, chaired by the Prime Minister (PM) on Strategic Road Map, the PM directed that "Power Division in consultation with the Privatisation Commission to share a roadmap regarding private sector participation / provincialization of DISCOs." Power Division on 10th January, 2023 notified the Committee approved by the PM for Enhancing Private Partnership in DISCOs. The ToRs of the Committee includes to review structure and operations of DISCOs with regards to regional differences and to identify areas where private sector can contribute; review existing plans of power division to create space for Private Sector Participation in DISCOs and develop appropriate options / roles for private sector participation.

It is also highlighted that in compliance to the CCoP decision of 24th June, 2022, Ministry of Inter-Provincial Coordination in November 2022, approached the provincial governments. The Government of Balochistan in November, 2022 opposed the proposal for buying DISCOs / QESCO. Similarly, in December 2022, Khyber Pakhtunkhwa stated that "it will take the final decision after detailed analysis report of PESCO to be prepared by the Financial Adviser for the Privatisation Commission...".

In a follow up meeting chaired by Prime Minister on 08th February, 2023, it was directed that



Provincialization of at-least one DISCO per province fast paced. The Power Division to prepare and circulate position paper to provinces. Also, Power Division in coordination with SAPM GE to do the ground work for finalizing the provincialization proposal before consideration by CCI.

Prime Minister Office on 17th March, 2023 constituted a twelve (12) member committee under the Chairmanship of Minister for Defense with Secretary Power Division as the Secretary of the Committee. The Committee was tasked “to look into the matter of transfer of DISCOs to the provincial governments”. The Committee was directed to present its recommendation for order of PM within 10 days.

Three (03) meetings of the said Committee were held on 24th March, 17th April and 25th May, 2023. In the last meeting, it was decided that (i) Ministry of Energy (Power Division) will move a summary for Council of Common Interests (CCI) to obtain approval in principle for allowing provincialization of DISCOs; and (ii) Ministry of Privatisation in consultation with Ministry of Energy (Power Division) will finalize ToRs for appointment of Transactional/ Financial Advisor for said transaction.

In compliance to the said decision, Privatisation Commission shared draft Terms of Reference for hiring of Transactional Advisor with Power Division.

Fourth meeting of the Committee was held on 21st June, 2023 wherein it was decided that the Policy for acquisition of DISCO that has been placed before the Committee should be submitted to PM by Power Division through a summary seeking approval for the Policy and the Summary to be placed before CCI for approval that will allow the acquisition of DISCOs by the provinces.

Accordingly, Power Division on 13th June, 2023 shared draft policy for transfer of DISCOs from the Federal Government to the Provinces; and on 22nd June, 2023 also shared draft summary for the CCI on provincialization of Distribution Companies (DISCOs) for views / comments. Accordingly, PC on 20th July, 2023 provided holistic and transaction specific comments for consideration of Power Division.



4.13) Nandipur and Guddu Power Plants

Nandipur Power Plant (425 MW) (NPP) and Guddu Power Plant (747 MW) (GPP), were included in Active Privatisation List and process was initiated for hiring of FA in August 2019, in compliance to CCoP/ Cabinet decisions. However, their privatisation process could not be advanced due to non-resolution of interest issues by Finance, Power and Petroleum Divisions. The issues were highlighted in CCOP's meeting dated 31st December, 2021 whereby CCOP directed the Privatisation Division to process financial evaluation of NPP and GPP along with their assets and in the meanwhile, Petroleum Division, in consultation with Power and Finance Divisions, shall examine the matter of equity transfer to PSO against its receivables and present the issue before CCOE. However, the Cabinet on 11th January, 2022, directed that the financial evaluation of Nandipur and Guddu Power Plants would be carried out subsequent to CCOE's decision. However, no progress was made to enable privatisation commission to initiate their privatisation process.



**PUBLIC FACILITATION &
REDRESSAL OF COMPLAINTS**



5. PUBLIC FACILITATION & REDRESSAL OF COMPLAINTS



The Public Complaints Resolution Mechanism has been established in the Privatisation Division and Privatisation Commission under the supervision of Deputy Secretary (Admin), Privatisation Division and Director (Admin), Privatisation Commission respectively for expeditious processing / resolution of public complaints.

Moreover, the Complaint Management Information System (CMIS) has also been connected with the Wafaqi Mohtasib Secretariat (WMS) via www.privatisation.gov.pk & <http://complaints.mohtasib.gov.pk>, in order to facilitate monitoring of complaints by the WMS and their quick disposal by relevant organizations.

Pension Facilitation Cell

The Pension Cell has been established in the Privatisation Division under the supervision of Joint Secretary (Admin), Privatisation Division to facilitate pensioners for timely completion / finalization of pension cases in compliance with the WMS's instructions.

Redressal of Grievances and Settlement of Disputes related to Procurement Process

The Privatisation Commission has implemented the provisions of Rule 48 of the Public Procurement Regulatory Authority Rules, 2004. In this regard, PC formulates Grievance redressal Committees on case-to-case basis.

All Grievances submitted by the aggrieved party(ies), during the procurement process of hiring of Financial Advisors, were timely disposed of by the respective Committees on merit.

Prime Minister's Performance Delivery Unit (PMDU)

To provide reliable and effective mechanism for expeditious redressal of public grievances relating to the dispensation of government services a Portal has been developed in order to enable two-way communication between the citizens and the Government institutions and resolve their grievances in line with prevailing laws and to seek feedback. The system is operational under directions of the Prime Minister to:

1. provide better insight into Governance issue through public participation and feedback,
2. reduce the cost of service to citizen by providing government information to the public through a dedicated mobile app,
3. ensure transparency in government-public interactions, and
4. provide a single interaction point for the citizen in obtaining electronic services i.e. e-domicile, file tracking, and revenue record tracking etc. (Future plan).

CURRENT STATUS OF TASKS AND COMPLAINTS

Task Management System

| Total Tasks | Completed | On Track | In Process | Remarks |
|-------------|-----------|----------|------------|-----------------|
| 91 | 91 | 0 | 0 | Nothing pending |

Citizen Portal Complaints

| Total Complaints | Resolved | Forward | Dropped | In Process | Remarks |
|------------------|----------|---------------------------------------|--|------------|-----------------|
| 145 | 69 | 63 | 13 | 0 | Nothing pending |
| | | (Forwarded to concerned Min/Div/Dept) | (4 on request of complainant 7 services matters 2-unclear/ vague contents) | | |



INSTITUTIONAL REFORMS



6. INSTITUTIONAL REFORMS



Ministry of Privatisation believes in creating a robust working environment for achieving its targets efficiently and effectively within timelines. Initiatives were undertaken in the following areas for the purpose:

6.1 Human Resource Reforms

In order to implement the privatisation programme continuous capacity building of PC through hiring of professionals is being carried out. Accordingly, PC has assessed requirements of Consultants/Professionals for conducting privatisation transactions and hired requisite Consultants/Professionals relating to Legal, Power, Energy, Finance, Industries, Telecom and Media, Post-Privatisation Sectors.

Furthermore, in-house capacity building of the regular staff of Scale 01 to 16 has also been reviewed. Further, promotions, upgradation and re-designation of various posts has also been conducted. Privatisation Commission is also looking forward to revamp the overall Human Resource Structure to streamline the structural pyramid of the organization.

6.2 E-Office Implementation

In line with the government's endeavor to ensure paper less environment in the various Federal Government Organizations, Ministry of Privatisation has implemented E-Office for executing Day-to-Day affairs of the Ministry, and Level-IV have been achieved. Further, as per directions R&I have been revamped to ensure receipt and issue of Dak through E-Office.

6.3 Strengthening of Internal Financial Control and Management

Following measures were taken to strengthen internal control and management:-

a) Development of policies and procedures

➤ In order to process the payment in standardized manner, Standard Operating Procedures for payments under Financial Advisory Service Agreement has been developed. Written procedures serve various functions. It provides written direction of processing payment and serve as reference material etc. a source of continuity and a basis for uniformity. Without clear, written and current procedures, an internal control structure is weaker because practices, controls, guidelines and processes may not be applied consistently, correctly and uniformly.

b) Segregation of Duties

➤ Duties have been segregated to ensure that errors or irregularities are prevented or detected on a timely basis. Hence, segregation of duties provided following two benefits:

- i. Rendered working a fraud more difficult because it requires collusion of two or more persons, and
- ii. Made it much more likely that errors will be found as soon as they happened.

c) Adequate Physical Control of Assets

Recurring and non-recurring verification of stocks/ assets and comparison with control records directions have been issued and strict observance of same.

d) Correct Errors Promptly

Errors detected at any stage of a process receive prompt corrective action and reported to the appropriate level of management.

e) Perform Reconciliations Regularly

Reconciliations provide a powerful control to identify and correct errors on a timely basis. Monthly reconciliation process is carried out to record necessary adjustments in a timely manner.

f) Review and Approve Processes/Transactions

Approvals are documented to verify that a review has been done. Due-diligence, pre-audit and approvals helped to reduce uncorrected errors, irregularities and inaccurate or incomplete information in funds, accounts, and reports.

g) Maintain Adequate Supporting Documentation

Adequate supporting documentation provides evidence to properly verify that the appropriate processes and controls are being used.

h) Evaluation of Internal Control

Performing an evaluation of internal control helped in identifying possible deficiencies before problems arise and it ensured implementation of more effective controls.

6.4 Digitalization of Essential Official Record

The government is embarking upon to digitalize record of various organizations and has accordingly passed on guidelines in this regard. Further, in the meantime, the government also launched e-Office mechanism while facilitating less paper environment and to initiate digitalization of data. The Privatisation Commission enormous data that needs to be secured and digitalized in order to ensure its safety from any unforeseen incident, while complying to the government directions. Accordingly, a Record Room was established, and essential data was collected from various quarters for digitalization. A mechanism was also put in place to ensure readiness of such data for scanning, verification and onward achieving at e-Office.





**FINANCIAL
OVERVIEW**



7. FINANCIAL OVERVIEW



Demand No.84 covers annual budget allocation of Ministry of Privatisation.

Allocation and Utilization of Budget of FY 2022-23 i.r.o Ministry of Privatisation

| Head of Account | Budget Allocation for 2022-23 | Supplementary Grant | Final Budget for 2022-23 | Utilization |
|---|-------------------------------|---------------------|--------------------------|--------------------|
| A01-Employees related Expenses | 185,540,000 | --- | 175,029,490 | 175,005,288 |
| A03-Operating Expenses | 41,612,000 | --- | 41,658,083 | 41,541,524 |
| A04-Employees related Benefits | 3,460,000 | --- | 4,594,500 | 4,593,600 |
| A05-Grants Subsidies & Loans | 3,010,000 | --- | 8,076,000 | 6,576,000 |
| A06-Transfers | 1,300,000 | --- | 1,188,000 | 1,187,338 |
| A09-Physical Assets | 213,000 | --- | 11,945 | 9,945 |
| A13-Repairs & Maintenance | 1,823,000 | --- | 2,082,167 | 2,042,192 |
| Total | 236,958,000 | --- | 232,640,185 | 230,955,887 |



NEWS



Minister & Secretary Privatisation brief the Senate Standing Committee On Privatisation

July 22, 2022

Meeting of the Senate Standing Committee on Privatisation was held under the chairmanship of Senator Shamim Afridi. The committee discussed the privatisation of PESCO and IESCO. Secretary Privatisation briefed the committee that the Cabinet Committee on Privatisation (CCoP) in May 2021 had approved the concession contracts for eight of the ten DISCOs, whereas management contract was approved for QESCO & TESCO. Furthermore, in view of the past lessons learnt and latest global practices, for the privatisation of DISCOs, "Pakistan Model" was also proposed by a working group comprising officials from Ministry of Privatisation, NEPRA, Power Division, CPPA-G and World Bank. However, there have been subsequent changes in policy and regulatory framework which has direct impact on DISCOs and the scope of concession and management contracts to be developed as part of this arrangement. During the meeting, the role and responsibility of the Provincial governments and law enforcing agencies as envisaged in National Electrical Policy (2021) was also discussed. The committee was also informed that CCoP in its meeting held in June this year has directed Power Division to write to all the provinces through the Ministry of IPC for negotiation in buying the relevant DISCOs, and letters to that effect have been dispatched to the Provinces.

The standing committee directed that regardless of participation or privatisation, as per the new electrical policy, the role of provincial, district and law-enforcing agencies should be institutionalized in curbing the line losses and poor collections.



Senator Shamim Afridi, Chairman Senate Standing Committee on Privatisation presiding over a meeting of the Committee at Parliament House, Islamabad

Visit of a Foreign Delegation to Privatisation Commission

July 22, 2022

One of Pre-Qualified Bidders recently conducted on-site visit of PSMC. Privatisation Commission of Pakistan and Financial Advisor for the Transaction assisted the delegation during the visit. The delegation met with government officials of various departments such as Ministry of Industries and Production, Ministry of Maritime Affairs, Ministry of Finance, Ministry of Commerce, National Tariff Commission, Board of Investment, State Bank of Pakistan, Federal Board of Revenue, Sindh Revenue Board, Industries and

Commerce Department of Sindh. The delegation also visited PSMC site and Iron Ore and Coal Berth to assess the condition of the plant.



Visit of a Foreign Delegation to Privatisation Commission

Abid Hussain Bhayo- Federal Minister Privatisation also appointed as Chairman Privatisation Commission

July 26, 2022

The Prime Minister had approved the appointment of Chairman Privatisation. Mr. Abid Hussain Bhayo, Federal Minister for Privatisation has been entrusted with the charge of Chairman Privatisation Commission through a notification.



Privatisation Review meeting

July 26, 2022

Federal Minister and Chairman Privatisation Abid Hussain Bhayo chaired a privatisation review meeting in Islamabad focusing on the progress so far made in the transaction of various entities to be privatized. The Federal Minister/Chairman was briefed about the updated status of the privatisation of Pakistan Steel Mills (PSM), NPPMCL, HBFCL and First Women Bank Limited. The privatisation of DISCOs was also discussed in the meeting. Federal Minister Abid Hussain Bhayo directed that all concerned must put concerted efforts for the materialisation of Privatisation goals.



Federal Minister and Chairman Privatisation Abid Hussain Bhayo chaired a Privatisation review meeting

Federal Minister Privatisation discussed Privatisation of JCC with Chairman CDA

July 26, 2022

Federal Minister for Privatisation Mr. Abid Hussain Bhayo held a meeting with the Chairman CDA regarding the privatisation of Jinnah Convention Center (JCC). Federal Secretary Privatisation Dr. Iram A. Khan and senior officials were also present.

The meeting held in the backdrop of reservations of CDA Board regarding few aspects of the transaction structure for the privatisation of JCC and a way forward. It was discussed that the Federal Cabinet approved the transaction structure of 7.59 acres (built up structure 4.13acre) of its land to a private owner in 2020



Federal Minister for Privatisation Mr. Abid Hussain Bhayo held a meeting with the Chairman CDA regarding the privatisation of Jinnah Convention Centre

allowing the property status to be converted from amenity to commercial along with NOC from CAA for proposed height and FAR (1:10), CDA also issued NOC in favor of privatisation after redefining JCC plot structure. Consequent upon PC moved with the issuance of EOI and 12 parties were pre-qualified, but the process could not move ahead on account of reservations of a couple of CDA Board members on the conversion of entire property from amenity to commercial.

After detailed deliberations it was agreed that a revised transaction structure is to be formulated in consultation with CDA through PC Transaction Committee and also considering the environmental effects and other possibilities for turning around this loss-making entity into profit making one.

Abid Hussain Bhayo chaired first PC Board meeting as its Chairman

September 05, 2022

Federal Minister/Chairman Privatisation Commission Abid Hussain Bhayo, chaired the first Privatisation Commission (PC) Board meeting after assuming the charge as a Chairman PC.

Matters relating to Jinnah Convention Center (JCC), Sindh Engineering Limited (SEL), Pakistan Engineering Co. (PECO), Federal Government properties and Pakistan Steel Mills (PSM) were discussed in detail. The Board members proposed that the privatisation of PECO, SEL and sale of remaining 16 properties of Federal Government should be brought to the notice of the government on account of inherent issues faced by these entities. The Board emphasized that it was doing everything in its



Federal Minister/ Chairman Privatisation Commission Mr. Abid Hussain Bhayo chaired PC Board meeting

power to expedite the privatisation process but had not received requisite support from the other concerned Ministries/Divisions to resolve the issues.

The Board was also apprised about the overall progress of the privatisation of SOEs, including PSM and HBFCL. The privatisation of PSM had reached a very advanced stage with the on-site visit and buyer side due diligence from the pre-qualified investors. The potential investors had spent two weeks in Pakistan, meeting senior government officials in Karachi and Islamabad as well as visiting the Pakistan Steel Mills (PSM) Karachi. The Board members showed their appreciation for the progress made in the HBFCL privatisation and hoped that the process will be completed soon.

Federal Minister/ Chairman Privatisation Abid Hussain Bhayo said that the government of Pakistan is committed to bring out the economy from the difficult situation focusing on the betterment of common folks. He further said that the government was working in earnest to bring major reforms in energy, agriculture and real estate sectors through hefty investment from Pakistan and abroad.

PC Board meeting held

October 03, 2022

Federal Minister/Chairman Privatisation Commission Mr. Abid Hussain Bhayo, chaired the 204th Board meeting of Privatisation Commission (PC).

The PC Board was apprised about the current status of Pakistan Steel Mills (PSMC) and some unresolved matters regarding to its revival. The PC Board deliberated on those bottlenecks and proposed



Federal Minister/ Chairman Privatisation Commission Mr. Abid Hussain Bhayo chaired PC Board meeting

for early resolution of these matters involving all the stakeholders from the Federal government at the earliest.

The Board was also briefed about the privatisation of House Building Finance Company Limited (HBFCL), as Privatisation Commission along with Financial Advisors were engaged in marketing exercise of the entity. Fresh EOI/SOQ had been advertised with October 17th and 31st, 2022 as respective deadlines.

The Cabinet Committee on Privatisation (CCoP) had approved in 2019 the divestment of 20% GoP shares of Pak Reinsurance (PRCL) through Secondary Public Offering. The Board unanimously endorsed to maintain majority shareholding of the Government of Pakistan in PRCL by reserving majority in the company. Hence the proposal be placed before the coming meeting of CCoP for moving ahead.

The Board was also apprised about the overall progress in the privatisation of SOEs, including PSM and HBFCL, NPPMCL and JCC.

NA Committee on Privatisation meeting

December 06, 2022

The meeting of the National Assembly Standing Committee on Privatisation was held on 06 December, 2022 under the chairmanship of Syed Mustafa Mahmud. Federal Minister for Privatisation Mr. Abid Hussain Bhayo, Federal Secretary Privatisation, Dr. Iram A. Khan, CEO MEPCO, representatives from the Ministry of Privatisation and Ministry of Power were also present. In the meeting the privatization of Multan Electric Power Company (MEPCO) under DISCOs' privatization program was discussed. The MEPCO officials presented the financial and operational data of the company, they also highlighted the challenges being faced due to the pending receivables.



The Federal Secretary Privatisation, Dr. Iram A. Khan apprised the august committee that presently no DISCO is being privatized as management contract or concession agreement model was approved by CCoP and the Cabinet. However, following the interest expressed by Sindh government all other provinces have been contacted/ offered by the Power Division to acquire the DISCOs falling in their respective jurisdictions.

The Committee proposed that the existing DISCOs need to be split further into smaller units and the policy of uniform tariff should also be dropped for the real competitive market to be in place with real cost of service allowed to be charged by the DISCOs to its consumers.

Privatisation Board meeting held

January 25, 2023

207th meeting of the Privatisation Commission (PC) Board was held on January 25, 2023; Federal Minister/Chairman Privatisation Mr. Abid Hussain Bhayo chaired the meeting.

The Board discussed various matters of importance including the pending issues relating to litigations in different courts. The PC Board also approved the terms of reference for the hiring of Financial Advisor for Roosevelt Hotel. The Board was apprised that the hotel is not being sold. Rather it will be developed into a mixed use high rise tower as a joint venture project through the best suited mode of privatisation as delineated in the Privatisation Commission Ordinance, 2000.



The Board was also briefed about the progress in other ongoing transactions including Pakistan Steel Mills, HBFCL, First Women Bank Limited.

PC Board meeting held to review ongoing transactions

March 21, 2023

Privatisation Commission (PC) Board meeting was held under the Chairmanship of Mr. Abid Hussain Bhayo, Chairman PC Board. The Board was briefed about the ongoing transactions and the matters requiring attention of the Board and the line ministries. The Board considered the report of the pre-qualification committee for privatisation of House Building Finance Company Limited (HBFCL) and agreed to the recommendation of pre-qualifying both the applicant firms to take the process to due diligence stage.



The Board also approved the audited accounts of Privatisation Commission for the year ended June 30, 2014.

Federal Minister/ Chairman Privatisation Abid Hussain Bhayo chaired Privatisation Commission Board meeting

June 15, 2023

The Privatisation Commission (PC) Board meeting was held under the Chairmanship of Mr. Abid Hussain Bhayo. The Audited Accounts for the fiscal year 2013-2014 were presented and approved. The Board emphasized the importance of promptly completing the audited reports for the remaining years on priority.

The Board granted approval for the Budget Estimates of the PC for the fiscal year 2023-24, amounting to Rs. 1248.8 million.

The Board also endorsed the organisational arrangement of Privatisation Commission, which includes conducting in-house due diligence on entities proposed for privatisation to enhance the effectiveness of transaction process. It was decided that the Commission will present meticulously researched policy proposals to the federal government, with the aim of fostering an enabling environment for the privatisation of state-owned enterprises, in line with the functions outlined in the Privatisation Commission Ordinance.





GALLERY



Federal Minister Privatisation and Chairman CDA resolved to break JCC deadlock



Visit of Foreign Delegations



Federal Minister for Finance and Revenue Mr. Miftah Ismail chaired a meeting of Cabinet Committee on Privatisation (CCoP), September 07, 2022





Federal Minister/Chairman Privatisation Commission Mr. Abid Hussain Bhayo, chaired the 204th Board meeting of Privatisation Commission on October 3, 2022. Federal Secretary Dr. Iram. A. Khan, Board members and senior officials of the Ministry attended the important meeting.



Federal Minister/chairman Privatisation Mr. Abid Hussain Bhayo chaired a meeting Regarding Privatisation of HBFL in Islamabad on 19th October, 2022



Briefing on The Privatisation of NPPMCL to Federal Minister for Privatisation Mr. Abid Hussain Bhayo and Special Assistant to PM Mr. Muhammed Jhanzeb Khan in Islamabad on 12-12-22



Federal Minister/ Chairman Privatisation Mr. Abid Hussain Bhayo chaired Privatisation Commission Board meeting on December 14, 2022. Secretary Privatisation & Secretary Law & Justice were also present



Mr. Shaharyar Ali Khan assumed office on 23-12-2022 as Special Assistant to PM on Privatisation/ MOS. Federal Secretary Dr. Iram A. Khan and other Sr. Officials briefed SA About the Organization.



NA Committee on Privatisation meeting held on 06 December, 2022



207th meeting of the Privatisation Commission Board was held on January 25, 2023; Federal Minister/ Chairman Privatisation Mr. Abid Hussain Bhayo chaired the meeting. Federal Secretary Privatisation Dr. Iram A. Khan, and senior officials of the Ministry were also present.



Privatisation Commission Board meeting was held on March 21, 2023 under the Chairmanship of Mr. Abid Hussain Bhayo, Chairman PC Board. Board members, Federal Secretary, PC and Senior Officials of the Ministry were also present. The Board was briefed about the ongoing transactions and the matters requiring attention of the Board and the line Ministries.



Federal Minister/ Chairman Privatisation Abid Hussain Bhayo chaired Privatisation Commission Board meeting in Islamabad on June 15, 2023



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