

THE LEGEND - C.M.LATIF

*Origin, Growth and Destruction
of
a Great Emerging Industrial Complex*



“ I believe not in making money but creating money.

**I live to achieve the target of employing
ten thousand people in Beco, upset by Partition.**

**I love not money but new factory sheds,
new machines installed, new machines produced
and new workers employed.”**

C.M.Latif

(Personal diary, 1955, actual scanned images inside, see page-78)

ACKNOWLEDGEMENTS & SOURCES

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Sources of Information

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2. Booklet, All About Beco, published by Beco Agencies Ltd, 1973.
3. Annual Accounts of Batala Engineering Company Ltd.
4. Annual Accounts of Beco Industries Ltd.
5. Annual Accounts of Pakistan Engineering Company Ltd.
6. Annual Addresses of Mr.C.M.Latif.
7. Private collection of photographs.
8. Personal Diaries of Late Mr.C.M.Latif.
9. Beco News publications.
10. Booklet, Businessman Engineer by Dr.Elizabeth A.Kuusisto.
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 - (i) Mr.M.Rafique Tabassam, (ex- Assist Manager, BECO Badami Bagh Works).
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 - (iv) Mr.Zahid Hussain (ex-Assistant Import Manager, Head Office).
 - (v) Mr.Fateh Mohammad, (ex-incharge Photographic Department).
12. Family members.
13. Rishad Choudri.
14. PIMA & FDMR magazines.
15. All Scanned Material from Original Sources.

Dedicated To Maa Jee



This book is respectfully dedicated to Mehr Miran Bakhsh's wife, Mohtarma Allah Rakhi, commonly known as “Maa Jee” amongst her children and grand-children. Her devotion to her three sons' education (M. Sharif Choudri, C.M.Latif, H.M.S.Choudri), as per the dying wishes of her husband, made the creation of Beco. The pages that follow unfold the history of BECO (Batala Engineering Company Ltd), later known as, Beco Industries Ltd and finally as PECO (Pakistan Engineering Company Ltd). It was destroyed by the year 2005, while still being in the unlawful possession of the Government of Pakistan for over 30 years as a taken-over industry, since the year 1972.

PRELUDE

“The most unfortunate political tradition of our country is that the over ambitious rulers frequently choose to get the laws altered, simply to exhibit the strength mustered by them. It would have been wiser of them if they had conformed to the country's laws, despite their high profile positions, even if these laws conflicted with their interests”. These are the few words of C.M.Latif uttered a few months before his death, which amply highlight the core issue of our national life, that needs to be addressed. When asked to comment on the role of trade unions, in the same session, he frankly admitted, “If trade unions were not there the industrialist would grow indifferent and inhuman. Trade unions are inevitable as they have an educative role to play, provided their representation is entrusted to upright office bearers”. These reflections are manifestation of his inner self, that draws a quick profile of this legendary figure.

C.M.Latif was an intimate blend of his love for rapid industrial growth and desire to alleviate miseries of industrial labour. These inclinations made him rational, full of goodness, and of immense service to industrial community. Bertrand Russel has alluded to this secret of the self by saying that greatest men of destiny have felt the need both of science and of mysticism. The attempt to harmonize the two was what made their life. C.M.Latif was one of them who believed that success/becomes attainable only by conjoining and taking up the two concepts of professional excellence and workers welfare simultaneously in hand. Similarly, when Adam Smith defined the profit, as a reward for taking risk, in fact he was involuntarily giving a clue of partly believing in the invisible plane, for accomplishing the material targets, as a mechanism of success.

This book offers a true spectrum of chronology of events, honestly presented in their generic form. Facts have not been twisted by individualistic inferences made by the author, events have not been saddled with the stigma's of personal likes and dislikes, conclusions have not been tailored to suggest pointers to prompt the reader. It offers an unadulterated research material, which encompasses wide range of information about C.M.Latif, synthesizing comprehensively the subject, by recordings of his domestic mannerism, to extraordinary organizational skills and characteristics of his decision making that remodeled the industrial course of his time. The work no doubt, a rich treasure trove of information and a source of profound inspiration is likely to engender similar research work on the life of C.M.Latif when future inquisitive researchers would find themselves at advantage to locate essential data on every aspect of the life span of this legendary figure, assembled in this book, instead of researching it elsewhere, which is a unique feature, making it really a rare work of its kind.

We owe our gratitude to Manzar Latif, a brilliant industrialist, whose filial regard for his father, gave him the strength, to make a protracted effort to collect bits and pieces of scattered information, comprising copies of private and public documents, extracts from pages of a diary and useful evidence from a variety of other sources, which even now was not easy to retrieve. By re-defining the historic role performed by his exalted father, he wants his father's dream to come true and to see the industrial development touch the heights that he envisaged in his lifetime.

One of the former governors of Punjab, once asked a living mystic to pinpoint the biggest folly that has led the nation into such a terrible mess. The mystic replied that it is the humiliation of national talent that we have caused our misfortune. Worth of talent is further emphasized in the principle laid down in this Hadith Mubarakah. “As there exist mines of silver and gold, similarly (God has bestowed upon us) precious mines, of talented men of distinction”. This is a guiding principle that reminds us that talent has to be honored and collectively recognized, because in essence it is a divine gift. Negation of the talent amounts to showing ingratitude to the nature and causing limitless loss to the nation. This book tells us how C.M.Latif, once an icon of industry and a man of strong convictions, kept the fledging industry progressing through difficult times and shaped the industrial world of this country anew, was lost sight of, by the nation and this was the height of injustice done to this stature. The treatment meted out to him by enforcing ruthless procedures and systems, to isolate him from the mainstream of industrial flux, was an unpardonable sin. Not only the nation lost touch with most cherished wisdom of one of the best talents of our time, but also without him, we squandered swiftly what he had built over years. This book, gives a wakeup call in this direction, to all those who are in the helm of affairs, with a message that no one in future should tarnish that sanctity of the talent, and jarring interests of small vested groups should not be allowed to distract exemplary morals of law enforcing institutions. If the ideas emanating from this book are willingly upheld by those in authority and as a consequence of this realization, the present onslaught on the talent is discontinued, or at least minimized in future, then Manzar Latif would have achieved his noble goal.

Ahmad Ghazali

Former Additional Director General, Lahore Development Authority and Director Arts Council
Author of Books on Folklore of Punjab, Like, -Cholistana, -Sandal Bar (awarded),
Wadi-A-Soan-Sakasar (Awarded) and Folk Tales of Cholistana. Etc.

FOREWORD

Prior to the nationalization of industries in 1970s, Pakistan was portrayed as a country to become an 'Asian Tiger'. During 1960's, Pakistan's GDP grew at a rate close to 6.8 percent per year, and Pakistan emerged as one of the fastest growing economies in the world. Pakistan became a model of economic growth for the developing economies. Many developing countries at the time (some of these developed countries are now considered developed economies, such as, People's Republic of China and South Korea) turned to Pakistan to learn its economic growth strategies and its industrialists' entrepreneurial abilities. While visiting Batala Engineering Company (BECO) at Badami Bagh, Lahore, in December 1956, Chou-En-Lai, the first Prime Minister of People's Republic of China, asked Pakistan to allow Chinese “to study and to learn” BECO technology that could help China to build its technology base.

The nationalization of industries by the Zulfikar Ali Bhutto's government in 1970s wiped out our industrial base, like BECO (BECO was the largest engineering company in Pakistan at the time of the nationalization of industries in 1972), and curbed entrepreneurial capabilities of Pakistani entrepreneurs, like C.M. Latif, in the name of “roti, kapra, and makaan (food, cloth, and shelter)”. The nationalization not just wiped out our technology-based industries; it led both domestic and foreign industrialists and entrepreneurs to lose interest to invest in Pakistan in capital intensive, productivity enhancement and employment generating sectors. As a result of Bhutto's nationalization policies during 1970s, today, even after almost four decades, we neither have “roti, kapra, and makaan”, nor do we have industrial base.

This book leads us back through the history of industrialization of Pakistan by providing records of events that led to the rise and fall of BECO and its chairman, C.M. Latif who was commonly known as a “towering entrepreneurial personality of Pakistan industry”.

But this is not a book about the yesterday as much as it works to place us in a continuum of yesterday to tomorrow. It is a book that tells us how misguided political decisions in the past have destroyed our industrial and technological base, and could inspire politicians and policy makers to learn from these mistakes to make present and future Pakistan a better place for industrial development and entrepreneurship. *The Legend C.M.Latif* is a valuable contribution to that effect. We will grow from reading it.

Dr. Akhtar A. Awan
Former Member Planning Commission
Government of Pakistan

This page is only available in the print edition

Beco Through the Ages

Historical Glimpses

Head Office (Lahore)
At Shahrah-e-Quaid-e-Azam



Beco Badami Bagh works, area about 65 acres, more than 75% covered



Divisions & Departments.

- (1) Designing Department-1.
- (2) Power Loom Division-1.
- (3) Pump Division-2.
- (4) High Speed Diesel Engine Division-3.
- (5) Slow Speed Diesel Engine Division-4.
- (6) Machine Tools Division-5.
- (7) Steel Works (furnace) Division-6.
- (8) Agricultural Implements Division-7.
- (9) Rolling Mill products Division-8.
- (10) General Engineering Division-9.
- (11) Structural Products Division-10.
- (12) Central Tool Department-2.
- (13) Brass Rolling Mills Department-3.
- (14) Steel Casting Department-4.
- (15) Cast Iron Foundry Department-5.
- (16) Galvanizing Department-6.
- (17) Forging & Smithy Department-7.

Beco Kot Lakhpat works, total area 200 acres, about 20 acres covered



Divisions & Departments.

- (1) Bicycle Division-1.
- (2) Electric Motor Division-2.
- (3) Structural Division-3.
- (4) Re-rolling Mills Department-1
- (5) Tube Mills Department-2
- (6) Galvanizing Department-3

Projects in pipeline at the time of nationalization.

- (7) Cotton Ring Spinning Frames Manufacturing Factory.
- (8) Demonstrative Textile factory..
- (9) Mini Steel Mill.

Regional Karachi Office

Regional Dhaka Office
(Now in Bangladesh)

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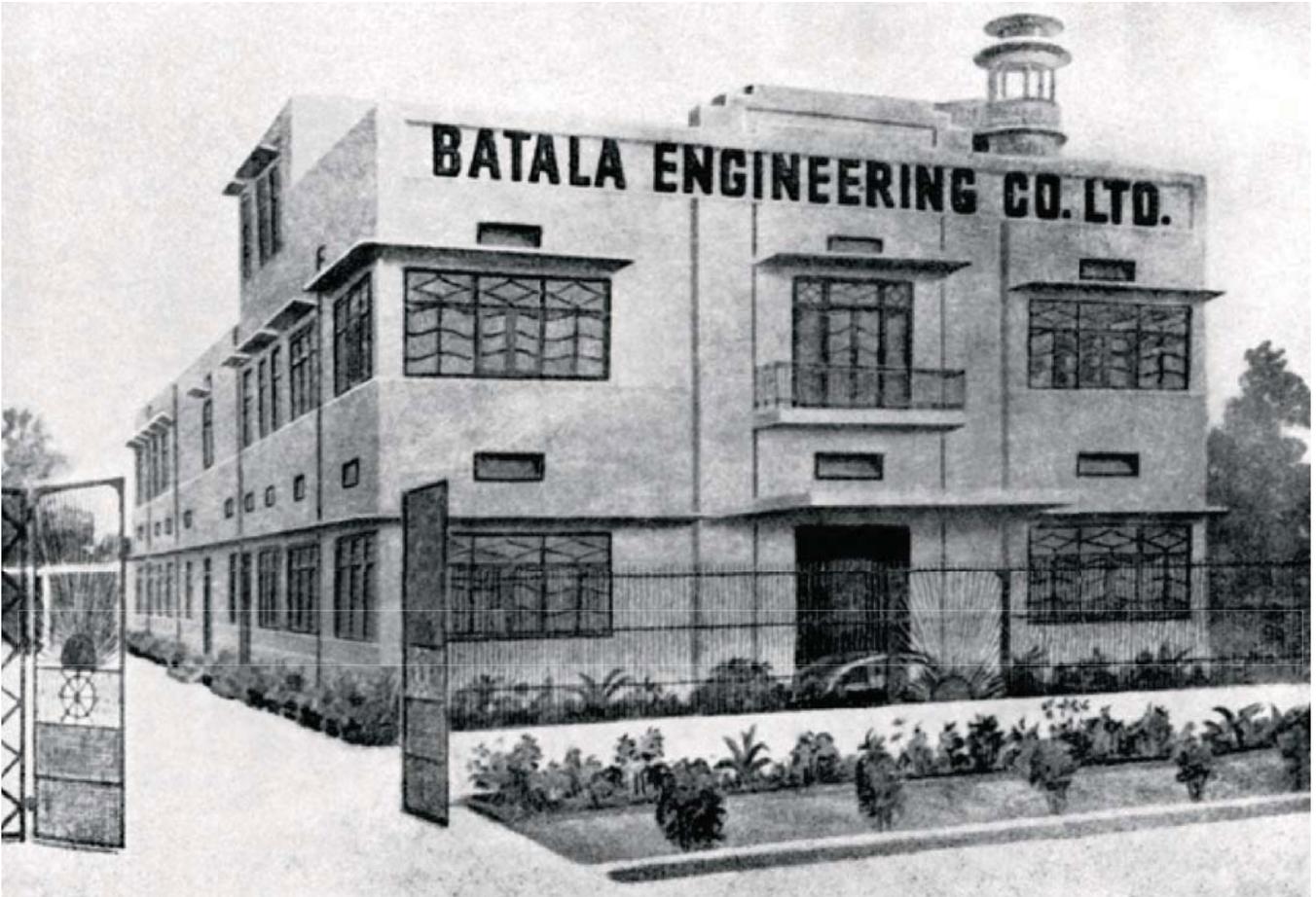
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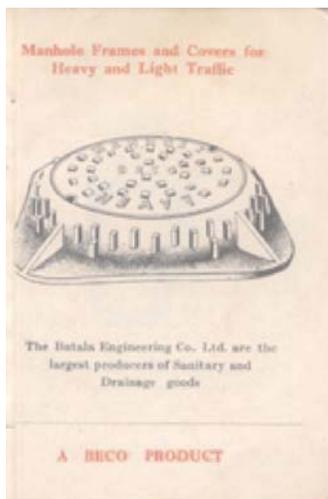
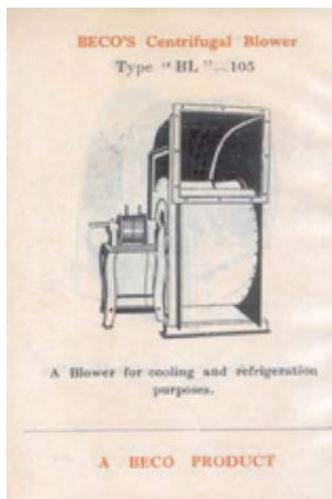
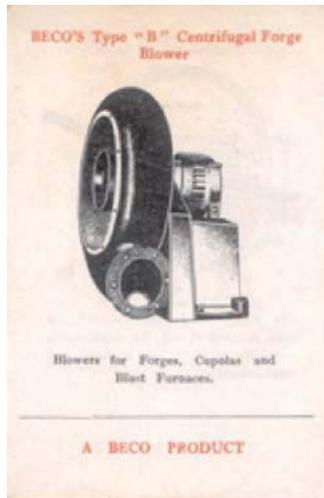
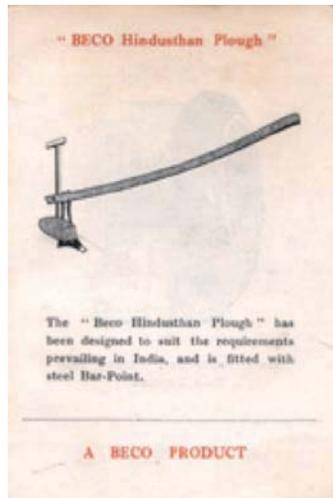
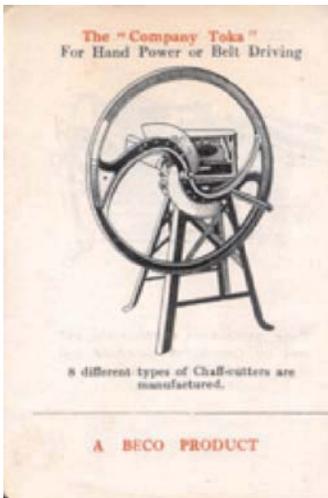
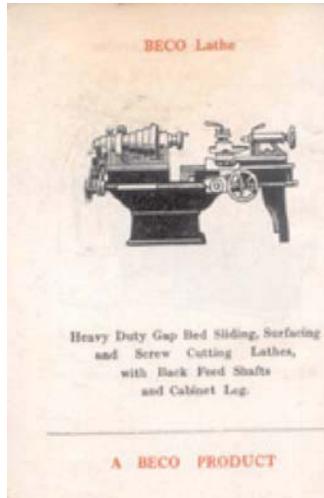
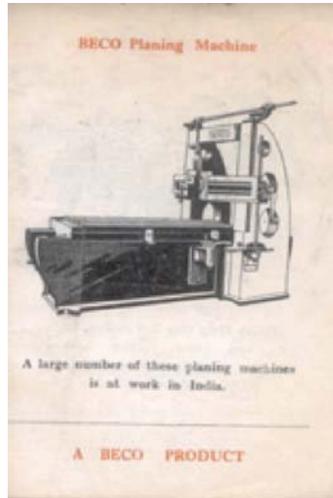
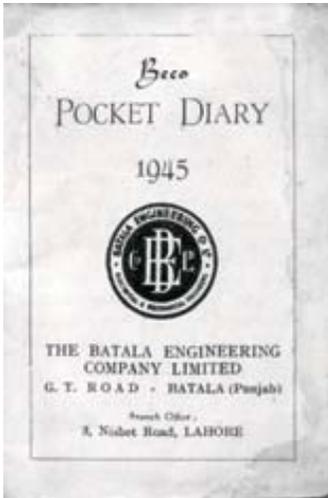
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The Starting of Beco Operations



BECO Old Head Office at Grand Trunk Road, Batala (India),
Built in 1942. The Biggest & the Most Modern in Batala at the time.



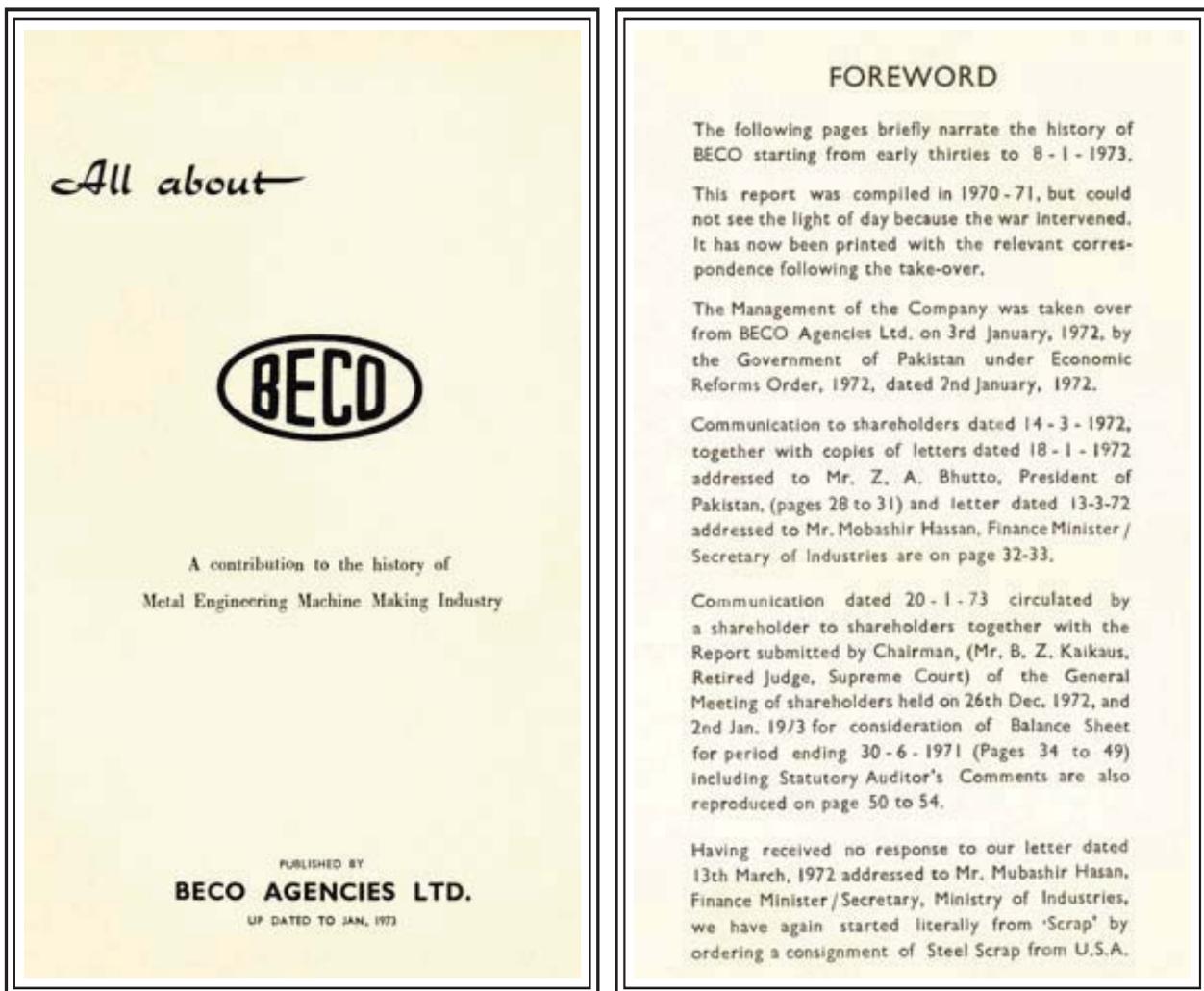
Some of the Products Manufactured by Beco (Batala Engineering Company Ltd) Before Partition of British India in 1947. These prints were recovered from a Company diary printed in 1945.

Foreword to 'A Foreword'

A brief history of Beco was first printed hurriedly in January, 1973, following the then recent take-over of the Company. This was a new terminology devised by the Government at the helm of affairs of Pakistan at the time. It actually meant as physically taking possession of just any property belonging to any private citizen or organization by coercion. The concerned government functionaries were the so-called elected representatives of the country when the supposedly democratic elections had taken place.

The cover page is being reproduced below along with its foreword page, from which it is evident how governments were functioning in Pakistan. They did not bother even to reply to letters from whom private properties were illegally snatched away through arbitrary executive orders.

Letters mentioned in the following earlier foreword will be reproduced in the book at later stages.



Chapter -1

Before Partition of Indian Sub-continent

The Story Begins in Batala, 1907

Family Tree:

From Choudri Mohammed Latif's (C.M.Latif) notes, written during his life-time.

Mehr Miran Baksh was one of four brothers. The eldest was Mehr Ali Baksh, the next three were Mehr Miran Baksh, Mehr Hukam Din and Mehr Rukan Din.

Mehr Ali Baksh was a lambarder (village chief in Batala) throughout his life. He had two sons, Mohammed Tufail and Mohammed Shafi.

Mehr Miran Baksh (*father of the founders of Beco*) was a zamindar, looking after his lands and fruit-gardens all his life. He had seven children, out of which two daughters were from first marriage and the remaining five children from second marriage. Daughters, Amina and Hajiran, were the eldest of the five children followed by three sons, Mohammed Sharif Choudri, Choudri Mohammed Latif and Mohammed Siddiq Choudri, in order of their seniority in age. Mehr Hukam Din had three sons, Fateh Mohammed, Mohammed Sadiq and Mohammed Afzal. Mehr Rukan Din was a ziladar all his life. He had two sons, Ali Mohammed, Ghulam Mohmmaed and six daughters.

As Mehr Miran Baksh did not have any son by his first marriage, a male to heir was mandatory and need of the time and as such decided to get married a second time. But the two sons born to him died at a very early age. He had a lifelong desire to have sons. He used to pray to Allah Almighty to bestow him a son. Finally his prayers bore fruit and a son was born to him. He named him, *Mohammed Sharif*.

But he still continued prayers for another son, so that if one goes out of home, the other one could stay with him to look after him. His wish was granted again and God gave him a second son on one spring morning of March 2, 1907. He named him *Choudri Mohammed Latif*. Upon fulfillment of his wishes he thanked God and bestowed in the name of God to less fortunate 's.

Later God blessed him with a third son, whom he named *Mohammed Siddiq Choudri*.

The Family's Concern for Children's Education

Mehr Miran Baksh loved all his sons very much, specially Latif and would never let him out of his sight for even a second. When Latif was three years old he used to carry him in his arms to a nearby mosque for his early

education. He brought him back in the same manner when the lessons were over. Being a devout Muslim he also used to call people for prayers (Azan) in the nearby mosque at Batala. When Latif was about 5-6 years of age, he would let him stand besides him while proclaiming the Azan.

Sadly he did not live to see his sons mature and prosper. One day in the year 1912 he died peacefully in sleep. Though only a six years old child at that time, Latif could always recall his father's face and black hair. He remembered taking his younger brother Siddiq (about 3 years then) to the room where he lay dead to uncover his face for the younger brother to glimpse.

Although himself an unlettered person his last will to his young wife, Allah Rakhi, was to educate all the three sons, even, if she had to undergo a great deal of hardships. This was his ardent wish. He planned to educate his young sons, but the cruel hands of death did not give him time to fulfil his cherished wish. On the death bed, the only thing he could do was to plead to his wife, his only dream. The young wife could not face the agony of helplessness in the eyes of her dying husband. Breaking into loud sobs she vowed that she would do anything within her power to fulfil the last wish of her beloved husband.



One of the oldest photographs of Choudri Mohammad Latif

During her long and lonely life she never forgot the last words of her dear husband. They infused new courage in her whenever problems and perplexities hindered her way. His wish was the beacon of light which guided the destiny of her sons. They were her only cause and consolation to live in this mortal world. They were her solace.

The Location of Batala

Batala, a small town in the eastern part of what is now known as Indian Punjab, is where the history of Beco and its founder begins.

The map reproduced below indicate its location and the distance from Lahore.



● BATALA

Young Latif on a Queer Expedition

The families origin cannot be traced back with clarity, however, Choudri Latif vividly remembers that his father, Miran Bakhsh, always thought that his ancestors hailed from Tashkent. No further information of the family tree could be established or obtained in this direction as all links were broken with the past with long residence at Batala.

Early years of Latif

Choudri Latif's formal education was initiated in the town's school. His father used to carry him on his shoulders as Latif had a tendency to sneak away from the school by hoodwinking the teachers. He would roam around and came home in the evening where on the persuasion of his elder sister was allowed to have food.

Sometime after the death of Choudri Latif's father, Allah Rakhi took him to a school teacher, Mr. Durga Das, for additional tuition, to check the boy's truancy and to enable him to grow into a self-sustaining adult. The private tutor's monthly fee at that time was two rupees. She did all that in pursuance of her husband's dying wish for a proper education for their sons. Despite all that, however, Latif failed in class II. Although he changed into a good student thereafter yet he did not give up his habits of truancy and mischief-making. Whenever he used to pass by the Gurdwara (Sikh temple) where sat an old Sikh Mahant (holy person), he would behave as if he was possessed by some spirits. One day, Baba Lala, one of former family employees, saw him making those funny gestures. He asked the Sikh mahant to straighten Latif out. The mahant rolled up an old newspaper, set it on fire and held the burning and smoking paper right under Latif's nose. At that point all wild ideas about magic and mischief vanished from his mind forever.

A Queer Expedition to Amritsar

Being a very energetic boy and bestowed with a strong willpower, Latif had the determination to do just anything he wanted. Once when he was about 13-years old, he decided to go to Amritsar walking all the way to visit his sister, Amina, who had been married to Choudri Ghulum Mohammad (picture on page 29). Latif left his home quietly in the morning without telling anybody about his plans. He did not have a single coin in his pocket, his direction was Amritsar and that was all that he needed.

After passing through the town of Jantipur, which is about 6 miles from Batala, he proceeded towards Kathunagal which is about 12 miles from Batala. He was not sure which way was Amritsar. At that point he started walking along the railway line to avoid getting lost. Short of Kathunagal he saw a horseman riding towards him. He did not stop out of fear and kept on walking. The horseman came up to him and stopped his horse. Finding the child exhausted yet determined to walk all the way to Amritsar he was simply astonished. Out of sheer admiration and sympathy he took Latif on his horseback to Kathunagal railway station. He then gave him five paisas, being the then railway fare upto Amritsar.



A picture of Jallianwala Bagh, venue of one of the most shocking events of the Independence struggle. (From the magazine FRONTLINE, Dated November 14, 1997)

When the train arrived at Amritsar, he took the road to his sister's house, as the directions were simple. He knew that her in-laws, house was next to the wall of the famous Jallianwala Bagh.

However, when he arrived there his sister was shocked to see him all alone in Amritsar. She was not happy at the situation. She gave him 4 annas and asked him to return to Batala at once. Very disappointed and disgusted, he came back home the same day. A very futile journey.

Early Memories About Family

Latif became a hard-working and conscientious student when he left the primary school. He gave up all his boyish pranks and practices. This was a great relief for his mother who had thought earlier that Latif would never put his mind to studies and will never be able to become a successful man as his father had desired so earnestly.

Latif's Early Memories

Latif narrates some memories about his grandmother, step-mother and mother. He recalls only one thing of his grandmother that she was a petite person and he used to take corn ears from her house to roast. About his step-mother (father's first wife) that he got along well with her. He recalls sitting in her lap once when he was very young as she was fond of him.

His mother, Allah Rakhi, was also of a small stature. She was not a spend thrift person. One day the boys begged her to raise their servant's daily wages from 8 annas to 9 annas. But she answered in a questioning tone “where from will I get the extra anna”?

She used to consult family acquaintances about the children. The goldsmith in the town was one such person. He had advised that the elder brother (Mohammad Sharif Choudri) should go to college and become a civil engineer (which he did). She was a very loving mother for her children. When the younger brother was still at her breast she would allow Latif to nuzzle her also although he was about six at that time.

She had a fine nature. When her husband died all the property was taken away by his elder brother, Mehr Ali Bakhsh. She used to approach him frequently on the subject of returning what rightfully belonged to them. Latif remembers accompanying her mother many a time to his house while her mother stayed there for hours together repeating her request. But the uncle used to go on reading the Holy Quraan. Then finally after many pleadings he agreed one day to return the property of his deceased brother to his wife and sons. However, most of the land which he handed over to them was uncultivable. By grace of God this very barren stretch of land became a valuable piece of property when the railway station of Batala was built in its vicinity.

Not much has been disclosed by Latif about his childhood growing up along with his brothers, except that although it was many years before he would supervise workmen, his hidden talent must have developed quite early. Once or perhaps more than once, he arranged for his younger brother (Mohammad Siddiq Choudri) to carry a large load of melons grown on their fields, while Latif walked freely behind him.

Latif remembers the ending of the First World War in the year 1919. The British victory was commemorated with great pomp and ceremony throughout India. There were many festivities and celebrations. Sweets were distributed among school children. Holidays were observed all over the country in commemoration of the great event. Turkey had sided Germany in the War. After enemy defeat the victorious British extended a cruel and humiliating treatment to the Turk Muslims. The Khilafat Movement, starting in India around 1920, was an expression of Muslim reaction against the British postwar revengeful maltreatment of the Turk Muslims.

In India people gave their animals, money and jewellery to help the Turks. All the schools run by the British were closed down and instead the National Schools of Gandhi opened. One was also opened in Batala too. Latif wanted to cooperate with the Non-Cooperation Movement. He wanted to leave his M.B.School and join the National School. His mother, however, was completely against this action of her son. She used to sit outside the school to prevent her son from migrating. But her son's patriotic spirit did not come to rest till after a few months things calmed down a little and the new schools were eventually closed down.

Mohammad Sharif Choudri passed his Matriculation Examination in the year 1919. Choudri Ghulam Mohammad, his brother-in-law, advised him to become an overseer. Accordingly, he took a two years course in that field. After that he took a job in Bhawalnagar where some new canals were being dug up.

Latif Shoulders Family Responsibilities

When Sharif left Batala the whole responsibility of managing the property fell on Latif's shoulder, being the eldest son staying behind. Though he was too young for the job he shouldered his responsibility bravely. He looked after the land, collected rents and did all sorts of the family work. This was the first time he had to manage everything without anybody's help. It brought the deserved element of maturity in him.



A scan of Sharif's certificate

When Siddiq (younger brother) grew a little older, he gave him a helping hand. Both the brothers worked very hard to keep the property in order. They even undertook very heavy physical tasks, carrying loads of mangoes and melons on their heads from Bakhawala well to their home, as their land was around that well which was about two miles away. Besides the agricultural land they had several fruit gardens near their home. Just outside the home was a pear-garden which was planted by brother Sharif who brought those plants from Amritsar.

During the upkeep of the lands many repairs had to be undertaken, one being the Gorahwala well. Latif supervised the repairs after school hours. Labour used to be very cheap those days. Mason's daily wages were 12 annas. Un-skilled labourer was paid from 4 to 6 annas a day. Chiragh Din was one of the masons who repaired that well. Then he went on to work in Beco in India and later in Pakistan till the 1960's. After the repair of the well the land around it was put under cultivation. Its supervision was entrusted to a man

named Monim. But he proved to be trouble maker. One day he picked up a quarrel with Latif. People of the area gathered and sided with Latif by reprimanding and abusing Monim. He got so frightened that he left the job and ran away from the town.

Sher Mohammad was a cousin of Latif. He was only an infant when his father died. Latif's mother brought Sher Mohd, who was her brother's son, to her home and looked after him. When he grew up he helped Latif a lot in managing the land. He was very strong and hard working. He tilled the land, sowed the crops, reaped the harvest and looked after the animals. In fact, he was a great blessing for Latif, who was still studying and could not give full attention to the lands.



Sher Mohd & wife in later years in Lahore, Pakistan

The total income from the shops in early 1920's was Rs 52, which increased to Rs. 4,000 by 1947. But most of the rent came from the land on which Beco factory was constructed later on.

The right scanned image is one of the records which is in Latif's own handwriting.

It is regarding the rent from the property with their respective deed references. The total on this page comes to more than Rs 200 as rent per month. The date of these writings is not certain. But it is presumed that it could be between the period 1925-30.



Desperate Struggle for Engineering Education

Latif passed his Matriculation examination in second division in the year 1924. Unfortunately he failed in Arabic. He writes that this failure was entirely due to the fault of the class teacher, as he used to waste time by telling funny stories in the class rather than focusing on teaching.

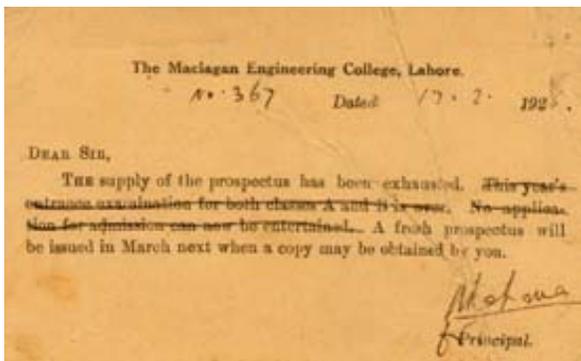
Latif 's Passion for Engineering Education

After Matriculation Latif tried to get admission to a medical college in Amritsar. But he was refused because he had low marks. Being disappointed, but not losing heart, he went to Lyallpur (now known as Faisalabad), where his sister Hajra lived, to try his luck there. She was married to Mehr Mohammad Sadiq's son who had settled at Abadan. In Lyallpur Latif got admission to an intermediate college. But he soon left it, as he was strongly advised by acquaintances to join Maclagan College at Lahore, to pursue an engineering course.

Maclagan College was the only engineering college in the whole of north-western of India. The subject of engineering was a totally new one. Young people were not anxious to take it up because they hardly knew what it meant or what were its prospects after graduation.

To Latif this sounded a good opportunity and he came to Lahore from Lyallpur. But the principal of Maclagan College told him that the classes had already started so he should apply next year. This was again a disappointment as it meant losing a whole year, which Latif could not afford. Furthermore, next year he would have crossed the age limit, which the college had fixed for the new entrants. These were his bitter feelings even though the principle spoke to him in a kind and encouraging tone and promised to accommodate him next year.

Latif's mind was made up. He would join the engineering college. Every obstacle had to be overcome. With this firm thought in mind he went to his elder brother, Sharif, in Gatscher Mir, which was near Bahawalpur. He was working as an S.D.O. over there.



Front and back side of the Post Card sent to Latif by the Maclagan College Principal's office. It is dated 17th Feb, 1925 and mentions their inability to supply the prospectus at that time.

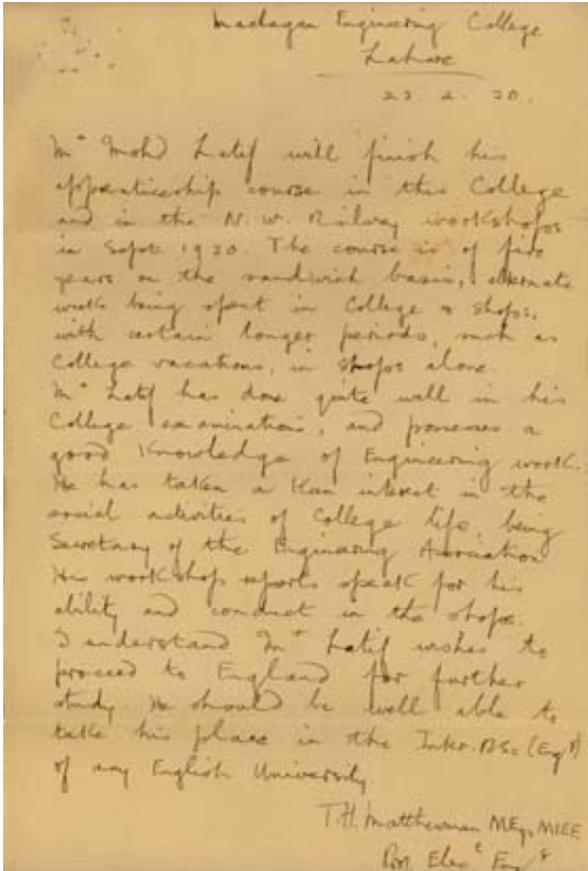


Sharif Choudri with wife, Azmat

Sharif had married Azmat, who hailed from Haisoor. There he met a clerk who had a distant relative, Qazi Anam Rabani, in the Lahore Secretariat. He knew Mr. Whitter the principal of Maclagan College. So Latif came back with this information and contacted Mr. Rabani to help him in getting admission into the college. Rabani met the principal asking him the favour of admission. The principal agreed to admit Latif next year disregarding his age at that time. This was a big relief for him. But to make sure that nothing went wrong, Latif kept on reminding Mr. Rabani about the matter. He then wrote a postcard to Latif, advising him to put to rest his strained nerves and to trust in God, assuring him that he will certainly get the desired admission next year.

Latif Joins the Maclagan Engineering College

Some scanned images of the commendations which the Faculty of Maclagan College had given to Latif.



Latif earned his first remuneration wages while visiting his brother in Ghatsher Mir. He had the chance to help a contractor, who in return gave him Rs 20. This was a great land mark in his life as he had earned this money with his own effort. It taught him the value of money and how to save and spend profitably.

As there was a waiting time of about a year to join Maclagan College, Latif decided to take admission to the Forman Christian College, Lahore in 1925. Among the persons who helped him in this aspect were his younger sister Hajra's father-in-law, who lived in Dasua village near Faisalabad and Mr. Choudhri Karim, younger brother of Fateh Mohammad, who lived near Mochi Gate in Lahore.

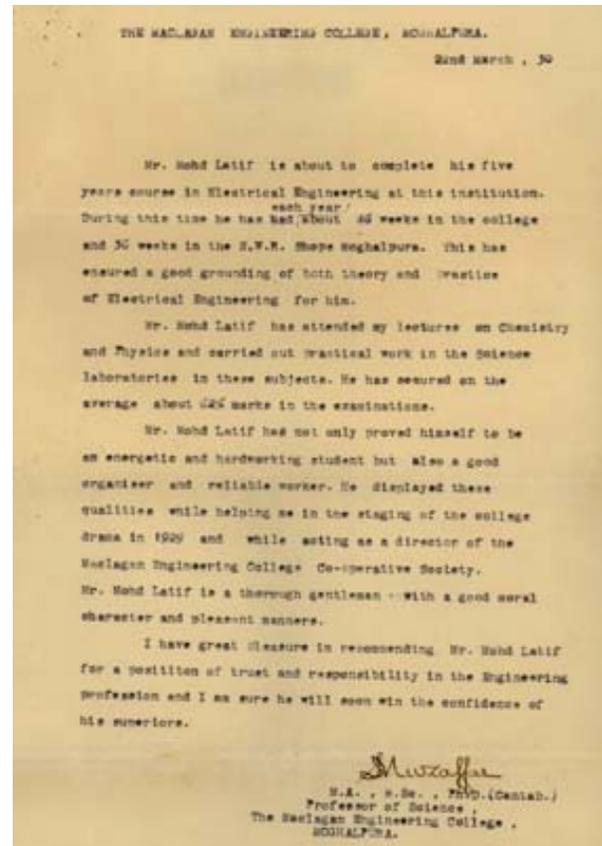
Latif stayed in Newton Hall. He remembers very well one of the faculty members Mr. Carlton Spears. He also got acquainted with the small soap factory on the campus being run under the technical school which had three different industrial departments. Professor Aseer Das was incharge of the soap department. They had a small soap

making plant in the building which was located in Bank Square, where Latif was to return later on after completing his engineering studies to learn its operation. This facilitated him and his younger brother, Siddiq, who also joined FC College, after Latif, to set up their first business venture in Batala.

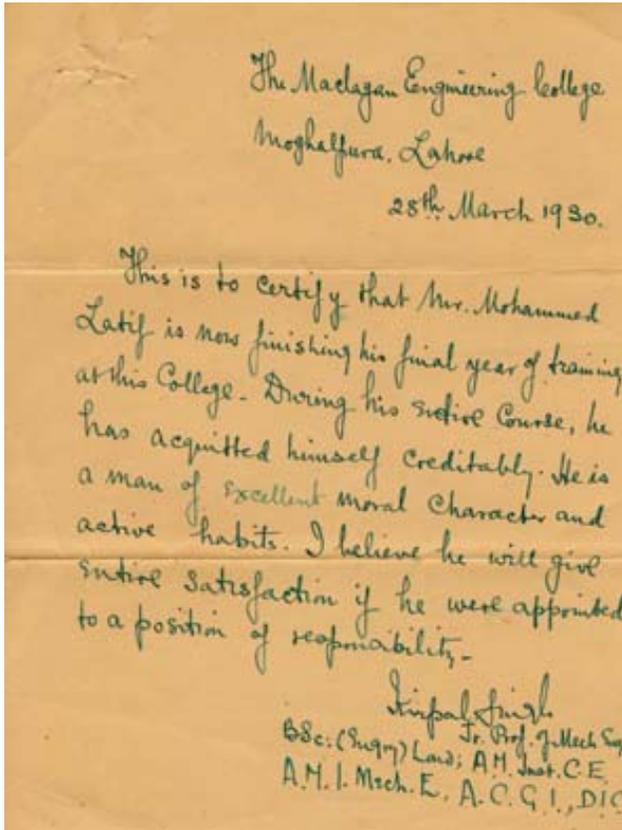
The following summer he joined the Maclagan Engineering College. There he lived in room number 26 of a dormitory of B. Hostel with four other students to share. He stayed in the College from 1926 to 1930 to complete the 4-year course. It was here that he received the heart breaking news of Mr. Rabani's tragic death in a road accident. The deceased was instrumental in his admission.

Then the second sad event struck him. It was the death of his sister Hajra, who had returned to Batala with her mother-in-law for childbirth. She and the baby died.

Latif got a scholarship worth Rs 40-90 from the college during his final year. During his college life he also earned some money at the rate of 5 % commission by helping an overseer, Mr. Fateh Mohammad. He was consequently able to buy some gifts for his mother from Amritsar when he went home next time to Batala.



Some Student Days Events



In his student days the common mode of transportation was the bicycle. He bought one with the help of his elder brother (Sharif). When he was an overseer in the canal works about 10 miles away from Bahawalnar it was only approachable by a camel ride. So Latif was on a camel whenever he visited him. One of Sharif's superiors once gave Latif ten rupees, with which he opened a bank account in Lahore at a post office near the college.

The Two Significant Events

Latif clearly remembers two very important events during his college days which taught him significant principles of life. *One night while cycling towards Lahori Gate, a policeman stopped him for not having lights on the bike. He, however, managed to dodge him by giving a false address. After about a year it so happened that while coming out of a clock shop in Anarkali, the same police man was standing outside the shop. He recognized him promptly and took him to the police station. He was chaled and later fined by the court. Since that incident he had come to realize the importance of truth which became the principle of his life thereafter.*

The other incident took place during his training at Maclagan College (which was founded by Mr. Har Krishna Lal, the then Education Minister, Punjab. His house probably still stands in Lahore with a plaque on it. But regrettably he died as a pauper). During their college training the students had to serve a period of apprenticeship, that is, six months attending the college and six months working at the railway workshop for which they also received stipends.

Latif was assigned first to a machine shop, next to the millwright shop, which were part of the very large railway shops for repair of locomotives, employing well over a 1000 workers. The first day when he arrived at the workshop he was wearing a hat. But then, when he was put under the charge of a lathe man, the hat was no more there, as he was ordered immediately with the following command:

"Sahib take off your hat and sweep the floor".

This took all the sahibness out of him and made him understand the importance of manual labour with a re-inforced meaning.

Within a span of about two years during his last two years at college he had collected nearly 3 thousand rupees in his account in the post office. He, therefore, decided to utilize this accumulated money. He applied for admission to the Engineering College in Leeds (England). But his desire could not be materialized.

While Latif was in the process of joining Forman Christian College, brother Siddiq had appeared in the Matriculation examination. He and the mother went to Makkah for Hajj. On return Siddiq joined intermediate classes as a science student. After passing the F.Sc. Exam he took admission to B.Sc. (Hons) in Chemistry in the year 1929.



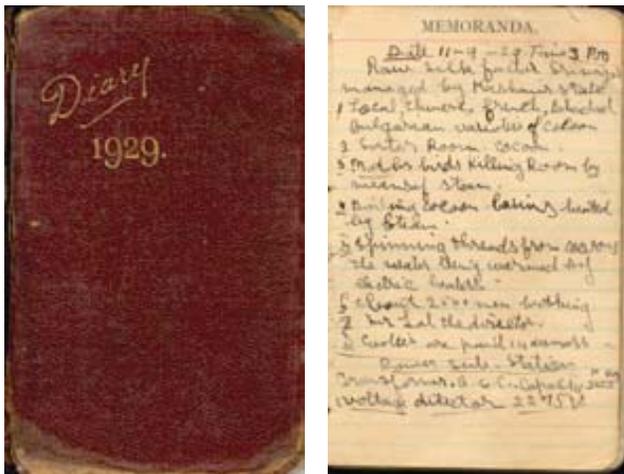
The Three Young Pioneering Brothers in 1929



(Right to Left.) M. Sharif Choudri (28 years), C.M. Latif (22 years) and H.M.S. Choudri (18 years)

Early Business & Manufacturing Experience

During his life at Macalagan College he also had the opportunity to travel extensively throughout India. So much so that travelling became a passion with him. But this was not simple pleasure travelling. It was rather a purposeful venture at collecting information from other production units. For example, below could be seen notes on Raw Silk Factory of Srinagar. At the bottom information on Power sub-station is referred to. Other similar notes have also been recovered from Mr.Latif's papers. But they are not being reproduced due to scarcity of space.



Beginning of Career After the Professional Training

At this stage both brothers discussed many a times about their future career and also about the future of their homeland. Sharif was out in England those days. They talked about the possibility of industrializing India (Pakistan was not yet created). At that time it was mostly an agricultural country, with very little industry. The only industry worth mentioning was some textile mills in Calcutta and Bombay and these too were owned by the ruling British. At that time India was passing through a phase of recession and the economy of the country was in shambles.

In the year 1930 Latif completed his course at the Engineering College. With ideas of industry dominating his mind, he and Siddiq paid a visit to the Industrial Office at Lahore which was housed in a bungalow where now Alfalah building stands. The Director of Industries was Mr. Ram Lal. They discussed with him several of their ideas about industry saying that they wanted to help to industrialize India. They asked for his advice. He said they must choose Batala as it was the centre of the steel industry of India with many

foundries based on agriculture industry. But the brothers wanted to start something new, something which Batala did not have. Nothing solid got out of the suggestions by the industries department officer. He eventually told them that they must think for themselves as to what precisely they wanted to do.

As both of them had obtained some elementary knowledge from the training model of the soap factory, to which they were exposed while students at Forman Christian College, they decided to start a soap factory in the year 1930. Siddiq, however, also continued his studies.

Siddiq was also fond of a clear type Pear's Soap, which was copied. But they also modelled a soap on Lever Bros' Lifebuoy Bath Soap. One of the F.C.College workers, Mr.Hayat, was engaged. He came to Batala to help them.

To start this venture, they required capital and Latif somehow collected Rupees 2,500. He constructed small rooms on his own land. After that he bought a boiler and a kettle for the factory from Amritsar.

This is how the bases of business and manufacturing was started by Latif, which turned into a big industrial empire later on, only to be destroyed eventually in toto by the Government of Pakistan, by the year 2005.

During the summer vacations at F.C.College, Siddiq came to Batala and worked in the soap factory for three months. When the question of naming the factory and branding the soap came up, countless discussions and consultations were made also with some students of medicine, specially Mr. Atta Mohammad and Mr. Mir Saifulla. *Finally the factory was named as Venus Brothers, after the name of Venus, a very well known statue, which is presently housed in the Museum of Naples in Italy. The soap was branded as Boss Soap.*



The Venus Statue in Italy

Experiences During Soap Manufacturing

In the beginning many experiments were conducted in the manufacturing of soap. The sale side was also dealt with. But many unforeseen difficulties and problems started to creep up. Latif used to personally visit shopkeepers in Batala, showing samples and offering reasonable prices.

Glimpses of Admiral Siddiq's Brilliant Career

competitive examination for the Royal Indian Marine, whose advertisement by the Defense Ministry he had chanced to see in the "Tribunal" newspaper.

Siddiq accepted the suggestion. But unfortunately he did not qualify. This was yet another setback for Latif. He decided to go to Simla, to consult a friend who knew about defense matters. He suggested that Siddiq should take the exam again. Accordingly Siddiq went to Delhi, appeared in the exam and was declared successful. The Government wanted to send him to England for training with the condition that half of the expenses were to be borne by Siddiq.

Should Siddiq proceed abroad or stay home was hotly debated in the family. Latif was in favour. Siddiq thought that they could not afford the requisite money. The mother opposed the idea on sentimental grounds. She even asked a relative at Jullundar, Mr. Atta Muhammad, to dissuade Siddiq. The tussle continued unresolved for quite a long time. Eventually Latif succeeded in convincing everyone that it was in the best interests of Siddiq (who was by now called Haji Sahib) to proceed abroad. The mother, however, was still emotionally upset. This could be judged from the brief notes below from Latif's diaries.

who manufactured Sunlight Soap and then sent a wire to Latif inquiring about the soap business at Batala. Latif sent him his reply, saying he must not think anymore about the soap business and put whole of his head and heart in his training at the Naval Academy.

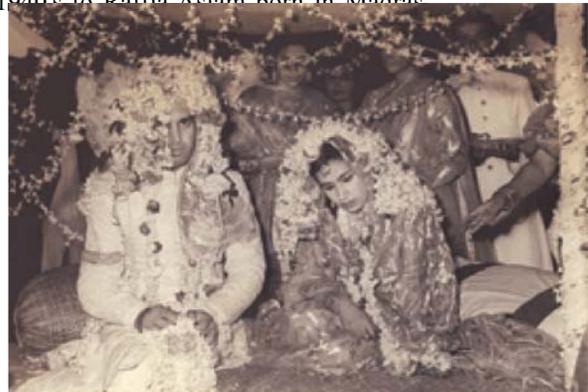
Admiral Siddiq's Meritorious Services

On his return in 1933 he was commissioned in the Royal Indian Navy at Bombay, as a Sub-Lieutenant and appointed for two years, to the H.M.I.S. Hindustan, the latest frigate in the Royal Indian Navy. He was the senior most Commissioned Officer in the Executive Branch of the Navy at the time of Partition. He retired from service in 1959 after 28 years of service, including 6 years as the Cin-C of the Pakistan Navy.

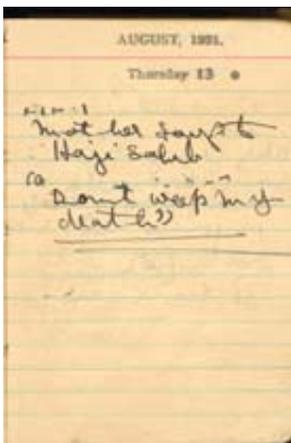


Siddiq as a Naval Cadet

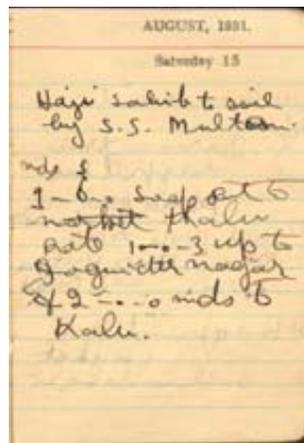
It was in Bombay that he got married later in the 1940's to Ruffia Aalam born in Madras



One of those traditional marriage pictures of Siddique and wife.



Mother says to Haji Sahib
"Don't weep my death"



Haji Sahib to sail by S.S. Multan.
Then: notes regarding sending soap 1-6-0 mds to Kulu

The required money was deposited with the Government and Siddiq left for England in the year 1931 (as per notes above in Mr.Latif's diaries) for his training as a cadet in the Royal British Navy. He was the first Indian to be selected for commission in the Royal Indian Navy.

While in England, Siddiq visited Lever Brothers

Beco Comes Into Being

Admiral H.M.S. Choudri joined Beco after retirement and was appointed as Vice-Chairman. He worked in various capacities till Feb 2, 1972, when Beco Management was taken over by the Pakistan Government. More details on the career of Haji Mohammad Siddiq Choudri will be narrated in later pages.

Engr. Sharif Joins Beco

By that time Sharif had also returned from England after taking his degree in civil engineering from Sheffield University. He now desired to serve Indian Government as an S.D.O. He went with Latif to Simla and then to Jugindarnagar in connection with that Job. There an Englishman helped them and Sharif got a job in the Irrigation Department in Bhawalnagar State. As the mother had never liked Government Jobs or Bhawalnagar State, so Sharif had to try again for a job in Jugindarnagar which was about 100 miles from Pathankot. Latif also accompanied him. They stayed there for a night only. Fortunately he got the job and worked under Mr.Rahmat, as colonel Petti, the chief engineer at Mandi Hydro-electric Scheme who died in a road accident near Gradriwal, a place between Lahore and Jugindarnagar. Sharif was still unsatisfied and worked there for only a few months. Later he was introduced to Mr.Shahabuddin in Lahore by Choudri Fateh Mohammad, a contractor at Gate Sher Mohammad in Bhawalnagar. Finally, Sharif joined Municipal Corporation in Lahore and worked under Shahabuddin for many years. But he was dismissed from service due to the non-cooperation of others. He filed a suit against them and won it. He also received Rs 1700 as compensation for illegal dismissal.

With this money and his share in the family fund he purchased a house on Elgin Road in Lahore Cantonment. Then later on he joined the Beco company in the year 1942 and served in various capacities, also as incharge of Planning and Production. He retired as Director of the Company in the year 1965, after 23 years of a most valuable service.

Mohatma Gandhi, the great Hindu leader, started the Harigan Movement in 1932 which aimed at ending the caste system among Hindus. The aim was to enlighten the minds of Hindus and change the attitude of the upper class towards the lower class or caste. Muslims in Batala were inspired by this idea. They also started thinking that Muslims should get united and do something for their less fortunate Muslim brothers. At that time the Muslims had no share in business at Batala or for that matter, in the whole of India. They only owned milk and curd shops and the like.

How Beco Came into Being

Ali Ahmad was a nephew of Sir Fazl Hussain. He was member of the Viceroy's Cabinet at Delhi, the first Muslim to rise to such a high position. He was also the education minister in the Punjab Government. Mr.Khuda Bukhsh was a retired auditor. Such people, along with many others, decided to call a meeting for formation of a company. The meeting was held in Islamia School, Batala, near the soap factory. About 100 Muslims turned up. It was decided to start a wholesale business under the company. Choudri Sadiq, a lawyer and secretary of the meeting, stood up and asked how many shares each one of those present would like to buy. Everyone present appeared very enthusiastic and looked keen to buy numerous shares. Choudri Sahib praised their appreciable spirit. Ironically, however, when the time came to pay for the shares, only a few turned up. To study the rules and regulations in the Companies Act, 1913, Latif bought a copy of the same for Rupees 3 from Sadiq and read it at the factory. But he found it to be very elementary as it only contained the basic provisions for forming a company. He then realized that the persons who had attended the meeting knew nothing about the simple rules and regulations.

At the next meeting he pointed out the rules for forming a company from the booklet which had not been followed. For example they had not registered the company nor got the necessary certificate before printing and distributing the share certificates. Without registration the company stood illegal and if the authorities had found it out they could impose a fine on them. On becoming aware of these facts the members got frightened and collected all the certificates to burn them. This was one of the reasons of the end of the company. The other was that a conflict arose among the leaders. Ali Ahmad wanted to start the business inside the city, at a place called Qundian, with the hope that his shop would be rented. Latif and party, however, wanted to start it in the market outside the city for better business and as their shops were located there. The third reason was that most of the people did not pay the application money.

During the year 1932 the idea of what is now known as BECO or PECO first flourished in Latif's mind. It was by the end of 1932 that he began thinking that as he was not a chemist the soap factory could not be a successful venture and that he might as well revert to engineering.

Early Years of the Beco

Latif had already read the Companies Act, 1913. He and Mr.Khuda Dad, with whom he got acquainted at the meeting held at the Islamia School, wrote the articles of memorandum of association for the new company. The prospectus was written in English. But then it was thought that an Urdu version should also be prepared. For this purpose he asked his nephew, Mr. Shams-u-din, a college professor, to translate the document. For his services the professor was paid Rs 3. Thereafter, the printing was undertaken. The authorized capital of the company was fixed at Rs.100,000/- and the paid up capital as Rs 6024. Out of this Rs 500 was application fee and Rs 500 as allotment money.

Latif bought the first 300 shares and the rest were sold to outsiders. The letter of cooperation was issued by the registrar of the joint stock company. From the outside shareholders, the first share was bought by one Mr. Mohammad Tufail. This proved to be a very difficult task as Latif had to make repeated efforts to convince him even for the payment of Rs 1 for the application form. Latif visited him many times before he bought just one share of Rs 10.

The requirement for obtaining the Commencement Certificate was to sell 300 shares, probably to others than the sponsors. This proved very difficult. Latif had to persuade Mr.Abdul Karim, the owner of the Ice Factory, situated in front of his house on the road from Dehli Dervaza to Railway Station, in Mohala Dolinnager. He agreed to buy the 10 shares. But later refused to pay. Finally Latif had to pay from his own pocket. From all this one could very well imagine the difficulties facing the setting up of the company. Anyway it took almost six months to sell the required number of shares. In March, 1933, the company was registered with Rs 6024 as paid up capital. In July of the same year the company received the Commencement Certificate.

Out of about Rs 6000 in the bank, Latif's money was roughly Rs 3000. The balance was paid by other shareholders. The first directors of the company were C.M.Latif, Chaudhry Ghulam Mohammad, Zaildar (who also acted as the chairman), Mian Abdul Karim (who manufactured agricultural implements, besides owning the ice factory) and Mr.Khudadad (the retired Government officer, mentioned earlier).

Mr.Latif's monthly salary, as per the Articles of Association, was fixed as Rs 70. The first regular employee of the company after Mr.Latif was Mr.Mohammad Ismail, starting with a salary of Rs 14 per month. He was still

working for the company as the Chief Accountant till Nationalization in 1972.

At the time of nationalization the manager of Badami Bagh works was Mr.Mohammad Mukhtar and he was the fourth person employed at the time of initiation of the company. The third person was a Sikh who used to do the electrical wiring of houses, as electricity had just been supplied to Batala. This was one of the services in demand which Beco used to provide while installing electric motors.

The business of the company was commenced by purchasing scrap. The first wagon arrived with cast iron and old railway sleepers. It was bought from a scrap dealer, Mr.Maquand Lal. He had a factory in Badami Bagh where the Beco factory's Badami Bagh works stood at the time of nationalization. The rate at which the 20 tons of caste iron bought was between Rs 20-22 per ton. In September, 2005 the rate of this commodity in Lahore, Pakistan, was being quoted as Rs 20,000/- per ton, giving an inflationary ratio of almost 1:1000. **The company was named as Batala Engineering Company Ltd after the name of Mr.Latif's home town. The first year's profit by mainly selling cast iron and house wiring was Rs 1,500 out of which 15 % dividend was declared.**

Brief Participation in Politics

Going back two years, in 1931 Mr.Latif also had a brief affair with politics. At that time Batala had a Muslim population of about 40,000 and being in majority they also held majority seats in the Municipal Committee.

Mehr Abdul Rahim, Mr.Latif's maternal uncle stood for elections and won against Choudri Muhammad Sadaq. But Mr.Sadaq would not accept his defeat. He wanted to be a member of the Committee.



A scan from Latif's visiting card
as Vice-President of the Municipal Committee

Latif's Struggle for Beco's Expansion

Mr.Latif also thought of election from that seat as he had the support of other like-minded foundry owners. But Mr.Sadaq won as the representative of the foundries.

After the expiry of 3 years term, Mr.Latif again stood for the elections, this time against his uncle, Mehr Abdul Rahim. He was unsuccessful again. Then in 1937 after the expiry of three years term, he tried again and opposed Mehr Rahim who was then the vice-President. This time he won by quite a thumping majority because many of his friends and the Sikhs helped him a lot.

Mr.Latif was a very active member of the Municipal Committee. But very soon he got disgusted with the dirty politics. Therefore, he never fought elections again, quitting politics after completing his 3-year term.

Latif Focuses on the Company

Returning to the Company affairs he faced severe difficulties in getting a suitable piece of land in the centre of the market. The family owned some plots on Grand Trunk Road. But all had been rented to various foundries. Finally one of the rented properties' lease got expired. The land measured about 25 feet from the front side and was on the main Grand Trunk Road. It was already in great demand with foundry owners, especially one known as Zamindar Foundry. They were doing very good business and were even ready to offer much higher rent than the prevailing one. But the company had its own needs to be fulfilled.

As more money was needed, initial share capital was raised and Mr.Latif's shares increased to 500 at Rs 10/- per share. A new share-holder was inducted who took 500 shares. He was a Hindu, Mr.Das. His business was money lending. Fortunately Mr.Latif had good relations with him, as he had many a time borrowed money from him.

Another 250 shares went to Choudri Ghulam Muhammad, Zaildar. He was the only Muslim foundry owner out of the two in Batala who became a share-holder, though he too did not pay the allotment money. He later informed Mr.Latif that the other foundry owners had asked him not to join Latif's Company. Mr. Abdul Ghani, an S.D.O. also bought 250 shares.

Difficulties mounted up as in year 1933 there was a world wide slump related to business. As a result the Indian economy also sank and prices fell. For example wheat was selling at Re 1 and 4 annas. The daily wages of a porter was 6 annas and that of a mason 12 annas.

At the time of commencement the Company did not have enough finances to construct a building on the 2 kanals of land which was evacuated by a foundry owner. Therefore, Mr. Latif had to spend his own money on the building for the company. It was a simple structure of one office, two rooms and a veranda at the back. The rest of the land was left open. The total cost came to about Rs 2,700. The furniture in the office consisted of one table for Mr.Latif and one for the other employees. A wooden bench was placed outside the office, to keep going the tradition established by other factory owners. The purpose of this bench was to attract the buyers who were mainly illiterate farmers.

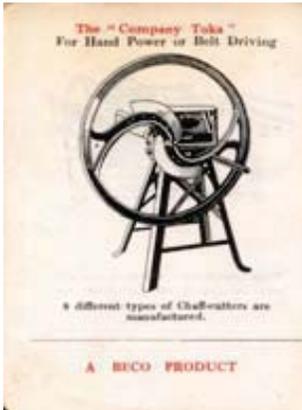
In the year 1934, as the initial capital was still very small, Mr. Latif tried to convince other foundry owners to join the Company. The result was that Mr.Chirag Din who lived in Company's neighbourhood and two others, Mr.Allah Bakhsh and Mr.Mohammad Ali, took about 250 shares each. This fulfilled their qualifications to become directors of the Company. But after that they wanted to get their own majority in the Board of Directors so that they could formulate the policies of the Company and supply them the products at cheap rates. Somehow Mr.Latif got this sorted out and made it clear to them that the policies would be formulated keeping the interest of the Company.

Mr. Khuda Dad also purchased additional 250 shares. As he was a retired government auditor he was put in charge of accounts. Mr. Latif spent hours together learning the technique of accounting from him, specially writing cheques and handling the debit and credit sides of the accounts, etc. Mr. Ismail, the first employee of the Company, was also trained by Mr. Khuda Dad. Mr.Khuda Dad used to be in charge of the Company in Mr. Latif's absence. His lazy habits and incompetence used to surface at times. There used to be complaints from other factory owners and shareholders that he comes to the office at ten o'clock in the morning and leaves early at four o'clock in the evening. Being a retired government officer it was impossible to groom him into a proper business man. Mr.Latif had to tolerate his habits.

Latif Strives to Expand Beco

Mr.Latif wanted to expand the activities of the Company, besides just dealing in scrap. In consultation with other directors he decided to expand Company's premises by including more land belonging to his family which was situated at the back of the offices.

Latif Gets Married in 1936



Beco Chaff-Cutter

By the end of 1934 the Company had already started manufacturing chaff-cutters, for which square and round steel bars were used, which were difficult to make as there was no rolling mills in Batala.

Mr. Mohammad Hussain owned one in Ferozpur. He was having financial difficulties due to which he was forced to shut it down.

When Mr. Latif came to know about it he decided to buy it. So he and Allah Dad went to Ferozpur to negotiate the purchase. They stayed there for the night. A bargain was struck and the mill was purchased for Rs 2700. It consisted of one steam hammer, one steam engine and one boiler. It was a three stand rolling mill, having a complete shed of 45 ft (wide) x 150 ft (long).

The same year, i.e 1934, the rolling mill had also started production. But nobody really knew precisely how to run it. Mistri Ramzan was the first technician employed by the Company for this purpose. He lived in a village, Naiya Pind, near Batala. He came with the Company to Lahore after Partition and subsequently retired at a ripe age.

To repair the rolls of the rolling mill a lathe machine was needed. For this purpose Mr. Latif went to Bombay in 1935 and purchased one at a cost of Rs 6000. It was an imported model from England, known as "London Lathe", that is, a simple cone pulley lathe machine. At that time no lathes were manufactured in Batala. The new machine was installed at the back of the rolling mill and one, Mr. Ghulam Mohammad, was employed as a turner. He was still working in Beco at the time of Nationalization and was the foreman of the Slow Speed Diesel Engine Shop. Mr. Latif was in charge of the rolling mill. He used to go there in the morning and return late at night because it was difficult to run it. Many a time the rolls or the belt would break down and it used to take a long time to repair them.

Upto well into the year 1935 Mr. Latif was still being paid Rs 70 with an increment of Rs 10 per annum. But by that time the Company was beginning to prosper and made heartening profits. At that Mr. Latif requested the Board of Directors to give him two increments instead of one. On their refusal a big controversy erupted. Mr. Latif threatened to stop

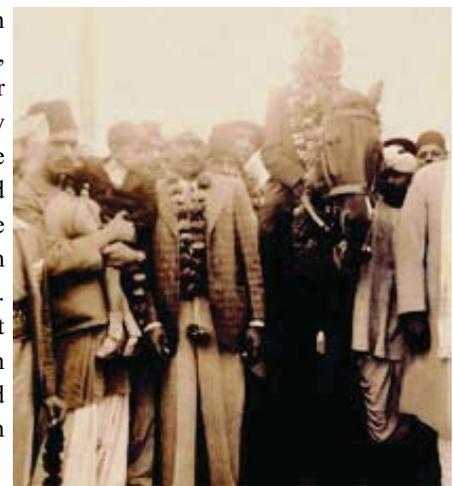
working. The directors told him point blank that it was his Company, so work or no work, it was his business and not theirs. That was the end of the uproar. The matter did not proceed any further. There was neither any raise nor any stoppage of work.

Latif Gets Married



Mr. Latif with the marriage turban, Sharif & Siddiq with the sola hats. In between stands Ismat (Sharif's wife). On extreme left is their elder sister Amina and on extreme right their mother. Next to Amina is her eldest daughter, who finally became one of the first gynecologists in Lahore.

Before 1936, Mr. Latif never thought of marriage due to excessive workload at the factory. But when the Company started to take a proper shape, his mother and sister began to think about it and to find a suitable match. A suggestion came from his sister-in-law, Begum Ismat, that her bhabhi, Mr. Ali Mohammad's wife, had told her about a nice girl from a well-known family in Baghbanpura, Lahore. On her suggestion they went to see the girl. They liked her and sent the proposal which was accepted. The engagement took place in June, 1935 and the marriage in March, 1936.



Mr. Latif on the horse back as per tradition.

Glimpses of Latif's Early Life

Mr.Latif used to live with his mother and family in the old house. He built a new one in the adjacent garden just before his marriage. Mr. Sharif designed the house himself. It had five rooms with concrete roofs and a bathroom with flush system, the only one in the area. The rest of the land was left open for lawns and gardens. At the time Sharif used to work with Mr. Shahabuddin. He brought many new ideas from his house.



I look like a pukka
country gentleman
going for his early
morning walk and
you like one of these
English Aristocrats going
to the house of lords.

Siddiq.
XI-36.

Mr.Latif with Siddiq and brother-in-law Choudhri Ghulum Mohammad (sister Amina's husband), in their old house.

Mr.Latif and Siddiq, dressed in the contemporary style.

Siddiq writes:-
" I look like a pukka country gentleman going for his morning walk and you like one of these English Aristocrats going to the House of Lords".

Siddiq, xi, 1936



It is a mistake to
to focus a picture like this
when people are sitting in
a circle - Difficult to
focus every body.

Siddiq
XI-36

(From left to right) Brother-in-Law Ghulum Mohammad, Mr.Latif, Gaitee Ara (Mr.Latif's wife) Mr.Sharif Choudri (elder brother), Rafiq Choudri (daughter of sister Ameena) and Mr.Siddiq.

Siddiq writes again, while testing the camera:-
" It is a mistake to focus a picture like this when people are sitting in a circle - Difficult to focus every body".

Siddiq, xi, 1936.

Gaitee Ara daughter of a prominent family

A rare photo of the couple Choudri Mohammad Latif and Gaitee Ara, taken in 1936, soon after their marriage in Batala. Gaitee Ara belonged to Baghbanpura, Lahore. She was daughter of Atta Muhammad, Inspector of the provincial schools, whose wife belonged to the famous political family of Punjab, headed by Sir Shafi, a prominent personality and contemporary of Quaid-e-Azam Mohammad Ali Jinnah.

Latif Exploring the Industrial World

In the year 1937, much against the wishes of other foundry directors, Mr. Latif decided to establish a foundry and machine shop to start manufacturing agricultural implements in a proper way. For this purpose more land was taken at the back of the rolling mill and both the shops were established. At this stage need arose for two additional machines for the Machine Shop. These lathes were bought from the market. They were of German cone-pulley origin.

As the Company could not do much with the little capital at its disposal and it was becoming very difficult to recruit additional share-holders. Mr. Latif decided to hire Mr. Sunder Das who had graduated in law, but never practiced. He was the son of a Hindu money lender Ram Rakha, whom Mr. Latif knew very well. Mr. Sunder Das was also made a director after he fulfilled the condition of having the required number of shares. His sole job was to recruit more Hindu share-holders but as the constitution of the Company only required a show of hands or voting by number of share-holders and not the quantity of shares they owned Mr. Das started playing mischief with a view to wielding control over the Company. The crafty person used to sell small number of shares to each person. For example, if 100 shares were shown, 10 persons' names came on the register. He did this with people whom he thought would favour him. Mr. Latif eventually saw through his cunningness. He in turn tried his best to sell shares to Muslims who would take his side. In fact this severe competition between both of them turned to be a blessing in disguise for the Company, as share-holders got added swiftly and additional money poured in rapidly. However, when Mr. Latif approached his own brother, Sharif, to buy shares, he refused, even when he begged him to take at least one share of Rs 10. The final end of this tussle brought the issued capital of the Company fully to the subscribed limit of Rs one hundred thousands.

Latif Tours Indian Factories

In the same year Mr. Latif also undertook a tour of numerous factories in India. Despite all that had happened as narrated above, Mr. Sunder Das was still made director incharge of the Company in his absence, in place of Mr. Khuda Dad.

During that tour, it was also on Mr. Latif's mind to add a new product line of cast iron pipes. He was aware that a big iron foundry by the name of "Kulty" used to manufacture those pipes by gravity method. For this purpose he specially visited Calcutta, Kanpur, Hyderabad,

Toteecomb, Bangalore and then Bombay, where he also met Siddiq who had just returned from Australia. Through him he met Mr. Soman, a retired C-in-C of the Navy, from whom he purchased his car and then drove it along with Siddiq to Batala, while visiting Delhi and Agra on the way.

On the way home an Australian lady friend of Mr. Siddiq, called Mrs. Lee, joined them. She had come to Dehli from Bombay by train. Mr. Siddiq introduced her "as like a mother to him". This lady came to Batala and stayed in Mr. Latif's house for one night.



From R to L: The Australian lady Mrs.Lee, Mr.Siddiq and Mr.Latif

Termination of Sunder's Services

During this travel with Siddiq Mr. Latif discussed with him matters about Mr. Sunder Das. He found that Mr. Siddiq also drew the same conclusions that Das wanted to take over the Company in his own hands. So he advised Latif to remove him otherwise he would soon get rid of Latif.

When in Batala, Siddiq also had a talk with Mr.Sunder Das and informed Latif that his views were strongly re-confirmed. Upon this Latif decided to remove Sunder Das from the office, as others had also complained that he had unnecessarily and foolishly made changes in the factory administration during Mr. Latif's absence.

That year the Company also registered a loss, which strongly indicated that money was not correctly invested. Latif had a talk with Sunder Das's father about the matter. He also agreed with him.

Hectic Search for Needed Talent & Finances

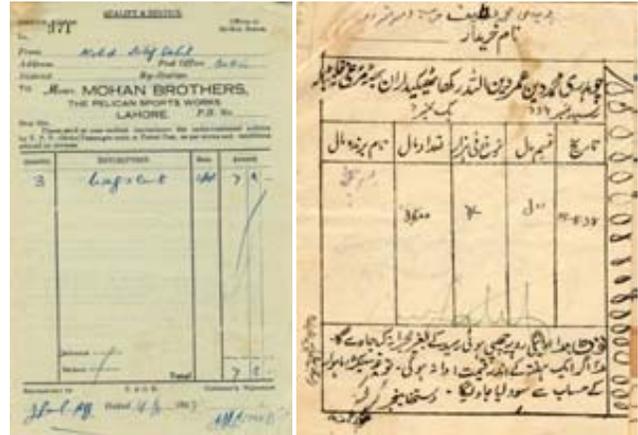
Mr.Latif consulted Mr.Taknare, an auditor who resided in Lahore. He studied the problem carefully and advised that the appointment of Mr.Sundar Das on monthly salary had not been put before the share-holders for approval. This was not valid legally. His appointment could be cancelled and he also be retired from the directorship.

Latif issued the termination order, as per Mr.Taknare's advice. Mr.Sunder Das got very annoyed as he was asked not to come to the office anymore. But, as he was a very cunning and crafty person, he regularly came to the office and sat on the wooden bench placed outside the office. To stop him from using the bench as a tool, Mr.Latif had to come himself early in the morning to occupy it, so that Sunder Das could not sit on it anymore. Thereafter, with great difficulty Latif got rid of him, but not before Sunder Das made a last attempt through another Hindu director, Mr.Pindi Das, who had been recruited by him. He was an insurance man and had his business premises on Mcload Road, Lahore. Sometimes earlier Latif had also discussed with him about the labour problem. Mr.Pindi had requested Mr.Latif to take Sunder Das back in the Company assuring that he would act exactly as he wished and would even be willing to serve as an errand boy. But no weight-age was given to all such pleadings.

Search For Talent & Capital

The Company badly needed qualified and competent persons which were hard to find, as can be observed from Sunder Das case. In this connection Latif contacted one Mr.Adbul Latif, son of Mehr Addul Rahim, who was running a tube well boring business. His son was a lawyer, having a office on the Mall, Lahore, but his practice did not flourish. Latif asked him to join the Company as a secretary which he did. Unfortunately he proved inefficient, lazy and slow-moving. He usually used to sit in the sun the whole day in winters and never even cared to open business letters on the day they came in. He worked only for a few months, then started his own business privately and sold his shares in the Beco.

In the early years of the Company money lenders usually did not loan money. Therefore, money had to be taken by Mr.Latif as a personal loan against his private property. In the later part of 1938 this was done once by taking Rs 14,000 from one Mr.Ram Rakh, as capital was needed to buy scrap and pig iron for the foundry.



Some receipts of a very early stage of Beco's construction works in 1938.



A scan of the register which Mr. Latif used to maintain regarding the construction works showing wages paid, with his initials against some entries. The year being shown in these entries is also 1938.

Early Deals of the Company

In early 1939, Mr.Latif entered a partnership with Dulat Ram, a Hindu with whom he had friendly relationships, to over-come the matter of shortage of capital. In this partnership Mr.Dulat Ram was to buy scrap and Latif to roll it in his rolling mill. The profit was to be shared equally.

Business Partnership with Dulat Ram

Dulat Ram had never been outside his hometown, Batala. However, he went with Latif to an auction of old railway scrap in Kharajpur, near Calcutta, in the middle of 1939. As they were travelling by train, the Punjab Mail, journey to Kharagpur would take 21 hours. It was lunch time at Lucknow. Dulat Ram was a pure vegetarian and would not touch meat. So they had to go to separate refreshment rooms meant for Muslims and Hindus. After the meals Latif could not find Dulat Ram anywhere on the railway station while the train was whistling to leave. Then all of a sudden he saw him coming from outside the station. He said that he could not stand onion smell of which the refreshment room smelled so badly.

Anyway all went well thereafter and they bought scrap from Calcutta. They then went to Bombay to buy more material. They stayed in a hotel at the back of the Taj Mahal hotel.

In September of that year 2nd World War broke out and prices of raw materials shot up. This made business very profitable which was shared equally by Latif and Dulat Ram. This was how the Company took a noteworthy start almost after 6 years of initial hard labour.

Greatly encouraged that year Latif also thought of manufacturing machine tools, which is the mother of all machinery, at least as known at that time. In the whole of northern India nobody manufactured them. Only some tools were made by blacksmiths by hand in their own crude way.

The Company purchased two additional Japanese lathes driven by a pulley and installed them in the agriculture shop, where chaff-cutters were made. As the war proceeded on, the pattern of these Japanese lathes were made and also their parts casted. But regular production could not start for another year or two. The Company also did not possess any milling or planing machines, so a 6-foot long planing machine was purchased form North Western Railways and a milling machine from a company in Madras.

In 1940, Mr.Latif proceeded on a tour of Madras and Calcutta. This time he also took his family with him. They stayed in a hotel called Amjadian Hotel on Zakria Street.

Beco Purchases A Milling Machine

While leaving the family in Calcutta, Latif went to Madras where he purchased a milling machine. This machine was installed in the Machine Shop. In Batala nobody knew how to run it. To overcome this difficulty he also bought a book entitled, Treatise on Milling Machine. A young Sikh was employed to operate it.

Then arrangements were made with the help of his nephew, Mr.Mustafa, (sister Ameena's son) to design the gearbox of the planer. He was paid Rs 10 for his services. He had just passed his engineering course from Moghalpura Engineering College and worked in the local Railway Shop. When the design was ready the company started manufacturing lathes and planing machines.



Beco's Progress During the World War

When Italy entered into the war, shipping through the Mediterranean Sea became very difficult. The routes around the Cape of Good Hope and Australia were too long. So the British Government tried to mobilize war efforts in India. A department of Director General Municipal Production was opened in Calcutta. Regional offices were also established. One such office was opened in Lahore in Narsingh Building. Mr. Sparrow, who worked in Railways, became its director. There was also a machine tool wing in that branch and Mr. Butt, an employer of Alfa Herbet, was its head. His assistant in the branch was Mr. Hotkinson. Another office was in the Sunlight Building which had a purchasing department with its head office in Delhi.

Large team of technicians came from England to expand the manufacturing of machines and also to boost war efforts. This team included top technicians like Mr. Oldfield. They visited the Company. But at that time, in the category of machine manufacturing, Beco was only making cone pulley lathes and the beds of these machines were prepared in the rolling mill shop because the place in the machine tool shop was not sufficient.

Sharif Appointed Lahore Branch Manager

The Government of India made a scheme to help industries by giving leases. Because of this the Company extended its works. They planned to build a new machine and foundry shop to cater for the casting of the machine tools. Due to this expansion more people were required. Sharif was still working with Mr. Shahabuddin, the speaker of Punjab Legislative Assembly and lived in Shah Abu al-Mali, Lahore. As there was not much work for him there, Mr. Shahabuddin talked to Latif a number of times about employing him in the Company.

At that time, Mr. Latif did not believe in employing relatives in his Company. But keeping in view of the need of more men, he changed his views. He thought that being a relative should not be a disqualification for an employee of the Company. So Sharif was employed in the company. His salary was decided by Latif, equivalent to that of an S.D.O., being Rs 150 per month.

A branch office was opened at Lahore on Nisbat Road, by renting two shops. This was the first branch of the

Company. Sharif was made the manager of this office. He employed two persons a Hindu clerk and a Christian peon named Dina. The Hindu clerk used to work in the municipal committee before joining the Company.

The purpose of this branch was to represent the Company in Lahore and also to introduce the chaff-cutter machines in the area. Sharif's duty was also to supervise the construction of Company buildings in Batala as a civil engineer. He used to spend 10 to 15 days in Batala every month during the construction work. He got Rs 10/- as daily allowance while on tour at Batala.

At the factory an assembly shop was constructed and a multistory office raised in front of the old office. More land was included, which previously was being used by Mistri Mohammad Din on lease. Unfortunately during all this construction work many accidents took place. At one time many people were buried underground. On another occasion when Siddiq was visiting the factory, a concrete roof collapsed. Luckily everybody was safe.

Beco Makes Tremendous Progress During War

Gradually the Company made progress in manufacturing machine tools. It was acknowledged to be one of the four big manufacturing factories which made machine tools. The other three being (i) Collosical Brothers at Poona, which started making tools at Harriar, (ii) Das Engineering Company at Calcutta and (iii) Cooper Engineering Company in Bombay.

During the war times there was a big demand of lathes, making their business thrive. Beco lathes were sold all over upto Bombay and Madras. To meet the rising demand a special agent was appointed there. Mr. Latif writes in his memoirs that Beco lathes were given preference even in Bombay.

Due to the war many small factories also sprang up in West Punjab, making all sorts of metal engineering goods. Even the factories in Batala, which used to manufacture agriculture implements, got war orders for shells. The cut round of steel bars used to be supplied by the ordnance factory in Amritsar. Beco made tremendous progress those days which set the pace for future expansion.

These scans have been obtained from the book, All About Beco, printed by Beco Agencies Ltd in 1973.



Members of the Machine Tool Panel during their visit to BECO Works Batala (India) in 1945
Right to Left (Sitting) Mr. R. Hill, Mr. C.M. Latif, Dr. P.N. Seth, Sir Laxmi Patti (Chairman),
Sir (not identified) , Mr. B.A. Kureshi (Director of Industries of Undivided Punjab)
Mr. Lyenger, Director General Inspection is on extreme left.
(Standing) Mr. Sparrow, Chief Engr. N.W. Railways, Mr. M. Sharif Choudri is third from right.



Sir Manohar Lal Finance Minister (Right) of undivided Punjab being
shown round BECO Works at Batala (India) in 1944 by C.M. Latif (Left).

Joking Self-Reference As “Bogus Brigadier”

The “Bogus Brigadier” of the Reparations Team

After the war in 1945 Latif was approached to go to England with a training team. But he turned down the offer as there was enough work to do in Batala. Then again in 1946, Mr.Latif was named in a reparations team which was part of the World War II reparations programme. He went from Batala to Gwalior by train and then the team flew to London in a flying boat from Gwalior Lake. The team was briefed in London and given ranks and uniforms, etc. so they could requisition billets and use commissary in the British zone of Germany, which was their destination. Latif's rank was a brigadier's. But he felt that they were bogus officers having neither the requisite training nor experience. He thus used to jokingly refer to himself as a “bogus” Brigadier.

Mr.Lyenger from Madras was the team leader. He was a devout Hindu. He suffered a great deal in the cold weather that winter in Germany. He was the target of some good-natured pranks as he had never even touched an egg. He was told that if he did not take any whisky against the cold, he would never return alive to India to be with his wife. So he did take some. It was uncommonly cold that winter that year.

When they were billeted in Kamen, near Dormund, they would work in factories that had their windows destroyed by bombardment during the war. However, they were lucky to be billeted in the only house still standing intact over there. In the misty mornings they would see the Germans coming out of the basements for work like ghosts.

The sight of Germany's destruction made Latif a life long foe of violence. Another experience in Hamburg over the new year also left a strong impression on his mind. They had gone up North. The cold was so bitter and biting that if anyone touched the outer part of their station wagon the hands felt frozen on it.

Not many of the large hotels were left standing in Hamburg at the end of the War. As Latif came out of the lobby door of the Atlantic Hotel and went walking round a corner he saw women in fur coats going round the garbage heap searching for cigarette butts. This made a striking impression on him which he could not forget the whole of his life.

Before he had left India in December, 1946 he had called on the then Indian Minister Rajgopal Acharia, who told him “as you are going with the Reparations Mission as a Muslim, we should have a share in the Wagner Plant (which was a plant to be taken over by India). Also see Jinnah while you are there”. When Latif was in London with the team for orientation and outfitting, etc., he tried to see Jinnah who was staying at the Claridge Hotel. But he was only able to meet Mr.Khurshid, his secretary, who asked him, “Have you ever met Mr.Jinnah while in India ?” Receiving a negative answer he said brusquely, “Go away then you can't see him”.

German Engineers Appointed in Beco

Beco was selected to have one-half of the Wagner Plant, based on its reputation as a machine tool factory. Arrangements were made to ship it to Batala. But meanwhile independence was announced. Hence the plant was shipped to Badami Bagh, Lahore, where it got installed later on at the factory allotted in lieu of Beco's property in Batala.

During Mr.Latif's stay in Germany he visited various engineering firms, as member of the team. He selected a number of machines there and in U.S.A. where he spent three months from February to April, 1947. He also employed on five years contract several German engineers including Mr. Wagner and Mr. A. Schneider. The latter was still with Beco as its Works Manager at the time of Nationalization.



Mr. C.M. Latif along with the German Team while visiting Wagner Plant in Germany. Mr. Schneider is on the left and Mr. Wagner on the right to C.M Latif. Behind them is a railway wagon with the marking “Stuttgart”.



Mr. Latif, March 1947 in Chicago, USA.

The front page from the Beco News magazine which was started in Batala. It is the only page which has been recovered, The loss of such valuable documents is most unfortunate in the reconstruction of Beco's history which otherwise could have presented even more enlightening additional information along with pertinent photographs.

The
Beco News

Vol 1 | December, 1946 | No. 1

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Latif Touring Major European Cities

Latif was anxious to get home earlier. Yet he found time to tour major European cities as Prague (Czechoslovakia), Zurich (Switzerland) and Milan (Italy). He found hotels generally overheated those days. He did not know then that he would be visiting Europe on business and pleasure many times in the near future.

Left Bataila Friday, 29th Nov
 at 12.00. sat 30.00. morning
 reached Karachi sat 30 at 13.00
 left Karachi 3rd Dec. 7.00 a.m.
 York 10.15.6. Karachi. The first
 reached Cairo 18.00. Cairo's time
 which is ahead by 3 hours & half
 Indian time.
 transfer to Shepherd Hotel
 visited Cairo Pyramids in
 moon light & went round
 the tower.
 left Cairo at 1.15.00 on 4th
 Dec. landed at Malta
 at 6.00 a.m. Malta time
 which is 4.30 behind Indian
 time.
 left Malta at 10.30. &
 reached Marseilles at 12.00
 left Marseilles at 1.15.00
 reached Heathrow airport
 London at 1.19.00 on
 4th Dec. Wednesday.
 Mr Hill came to receive us
 reached Strand Palace Hotel
 Strand road. with my
 Jambhar in Room 205

The notes on the left are a page from Mr.Latif's diaries. They mention that Mr.Hill, came to receive them, which shows that Beco had an office in England even at that early stage. Furthermore, the notes indicate the route through which the team reached London by air from Karachi, leaving on 3rd Dec, 46 at 7.00 a.m. via Cairo, Malta, Marseilles and arriving at Heathrow Airport on 4th Dec, 1946 at 7.00 p.m.



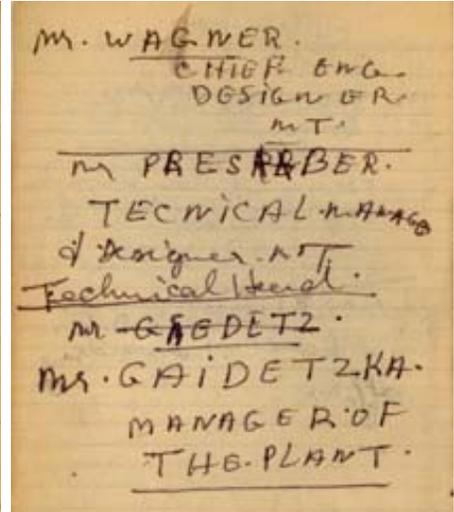
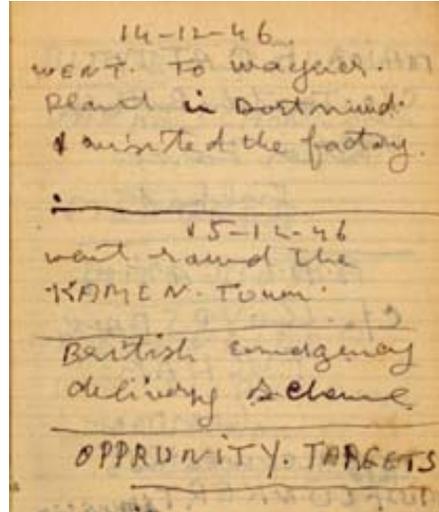
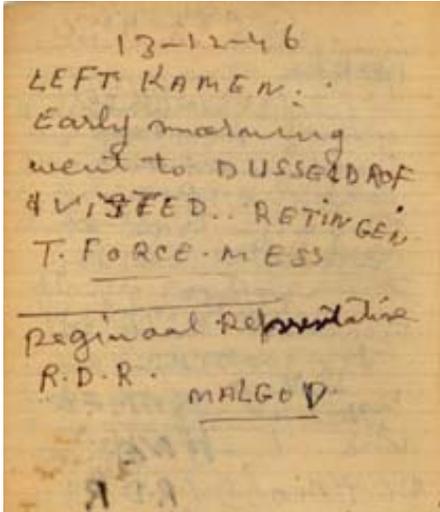
A Scan of the Business Card of Mr.Hill

Scans on the right give information of Mr.Latif's travel in Germany. These diary pages give some insight into the actual documents related to travels between 1946-47.

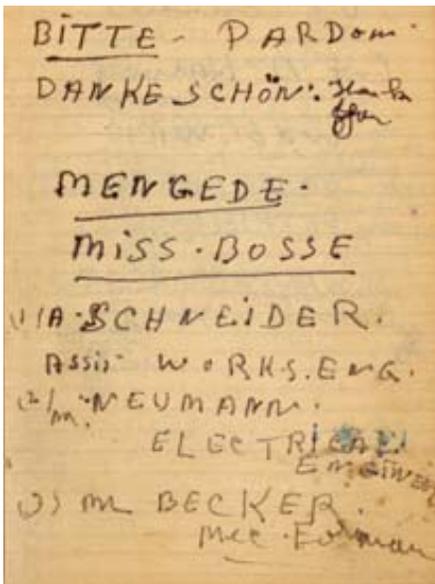
5-12-46
 went to India supply comm
 45-47. month street
 & discussed with my
 sign-off & registration the
 Magdama. going
 to Germany on 11th Dec.
 morning.
 got the Bata desk
 from the central comm
 of office's stores.
 went into evening to
 India House to attend
 the reception with Indian
 leaders.

G. E. R. in H. N. Y.
 11.12.46
 LEFT London 11th Dec
 9.00 a.m. Reached
 Dover at 2.00 p.m.
 Calais 4.00 p.m.
 Took the train at
 Calais
 12-12-46
 Reached Bad Nauheim
 at 10.00 a.m.
 Reached KAMEN
 via L. H. N. E.
 DETMOLD (R.D.R.)
 BAGMAL-OKLEY.
 MISS. SMITH.

Chaos in India's Hectic Times



The above scans from Latif's diary relate to the early trips to acquire ½ of the Wagner Plant.



The scan on the left mentions Mr. Schneider (Assist Works Eng:) and above Mr. Wagner (Chief Eng: Designer) at the Wagner Plant, who was also hired while Mr. Schneider remained with Beco for many years till the Nationalization.

Chaos & Confusion at Batala

Those were hectic times in India. It was an era of decision making about whether and how India should be partitioned. Many historians have written about the time when the British were preparing to leave India. At one point Sir Stafford Cripps had put forth an idea that India should not be divided. Instead the Muslim majority states should have veto power in some matters. This was first agreed upon and then discarded by Jawaharlal Nehru. Then only Jinnah said division was the only option. There were various other ideas and various commissions discussed how and where the line of Partition was to be drawn. Circulation of too many announcements, their change and cancellation generated considerable confusion and chaos.

Following an announcement one day many Sikhs fled from Batala to Amritsar (24 miles away). The Muslims raised Pakistan's flag on the roofs of their buildings as Batala was announcement to be included in Pakistan. But then this decision was reversed and it went to India, which brought back the Sikhs. This unleashed a wave of Sikhs killing the Muslims in villages on the instigation of the crafty Hindus. Latif writes that they had to then lower the Pakistan flag quickly which got stuck up in panic. The Hindus and Sikhs in the city started firing on it and finally got it down.

Many people fleeing the carnage started coming to the Beco campus. The Company was first concerned with the safety of their engineers, workers and Muslims living in and around Batala. Beco became an informal refugee camp. People from Beco also went to neighbouring villages. Wherever possible they arranged for burial of the ruthlessly slaughtered Muslims. Latif was told later that at places even seven persons were buried in one grave.

Chapter -2

*After Partition of Indian Sub-continent
Pakistan comes into Existence*



Participation for Independence . . .

The First Independence Day Celebrations at Beco

When it was certain that Batala was going to the Indian side Muslims started mass exodus from the town. We took only some suitcases and escaped in cars to my elder brother's house in Lahore. Our mother was with us. Later on a rented lorry brought the remaining baggages to Lahore. Though we had no difficulty crossing over to Lahore, we could see long lines of people on the small road from Batala to Kalanor. Some were also trying to cross river Ravi at that point. There was a horrifying blood-bath through which the Muslims of the Indian Punjab had to go. Batala and its surroundings were struck with a greater fury as it was a Muslim majority area which was treacherously handed over to India under the Radcliff Award. The hearts and homes of innumerable innocent Muslims were destroyed ruthlessly. They were attacked again and again as their refugee caravans trekked towards Pakistan for security and safety. The distinction was only between the frenzied killers and the helpless victims. Beco engineers, workers, Muslim citizens and villagers around Batala became Beco's evacuation concern. This is how the Beco family came to Pakistan, leaving all their machines, plants and financial assets behind.

Beco Begins From Scratch Again

From here began the second phase of Beco development. It was a beginning from scratch all over again. When the family arrived in Lahore, Latif fell sick. He was bed ridden with fever for ten days. As soon as he was well, he went to the Mall road branch of Bharat Bank. He had an account with their branch at Batala. At the very moment of his visit, the bank staff were loading their registers, etc, into a lorry to take them to Delhi. The manager could only offer Mr. Latif a cheque for Rs 20,000, which could be encash at Grindlay's Bank in Karachi. He sent it promptly to brother Siddiq for encashment. That is how they started again.

After a few months they were allotted a house and also the Mukand Iron Works at Badami Bagh. This was located almost in a bed of water as the Ravi had over-flowed and the flood waters had reached upto the General Post office. At that time there were no bunds around the city of Lahore.



On 14th August, 1949 was the first Independence Day celebrations. The following picture shows Beco's offices being decorated on the Mall Road, Lahore.

The 1949 March Past As Viewed From Beco Offices



The march past which took place on 14th August, 1949 as viewed from the Beco offices.

In August, 1947, Beco's authorized capital stood at Rs 2.5 million Rupees. The subscribed capital at the time was Rupee Rs 1,504,380/- of which a sum of Rupees 1,152,307/- was fully paid up.

Now, as the Wagner Plant had arrived in Lahore, the Mukand Works Plant, which was allotted in exchange of Beco, Batala, had to be restored as soon as possible as it was badly damaged due to overflowing River Ravi flood waters. This task was given to Latif's elder brother, Mr. Sharif, being a foreign qualified civil engineer in the Company.



The rolling mill functional at Badami Bagh. It was similar to the one in Batala.

Opening Celebrations of the New Beco Office on the Mall Road in Pakistan



Mr & Mrs. Sharif Choudri in the middle.

Mr & Mrs B.A.Kureshi last on the steps.

Balance Sheet & Statement of Accounts for 1949 & 50

THE BATALA ENGINEERING COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
 For the period from August 15th, 1947 to March 31st, 1949

	Amount	Total
Establishment	1,28,500	1,28,500
Managing Director's Remuneration	25,000	25,000
Managing Director's Commission (Subject to adjustment)	10,000	10,000
Commission for B. T. A.	5,200	5,200
Rent paid and payable	30,950	30,950
Manager & Telephone	46,375	46,375
Cooking Charges	9,550	9,550
Telephone Charges	5,550	5,550
Stationery & Printing	1,611	1,611
Travelling Expenses	94,141	94,141
Travel Grants	2,000	2,000
Car Expenses	10,000	10,000
Club Expenses	6,000	6,000
Advertisement	14,000	14,000
Railway Siding	2,700	2,700
Trade Expenses	3,200	3,200
Manufacturing Expenses	30,000	30,000
Plant for	1,100	1,100
Depreciation Expenses	70,000	70,000
Interest paid and payable	21,100	21,100
Sales Tax paid and payable	30,000	30,000
Expenses on building	25,100	25,100
Contributions to Provident Fund	1,500	1,500
Charity	500	500
Share of Machinery	4,000	4,000
Share of Expenses	22,400	22,400
Share of Mail Subsidy	2,000	2,000
Donation (For detail see opposite page)	40,000	40,000
Circle Allowance	50	50
Car Insurance	1,500	1,500
Bank Charges	1,500	1,500
Bad Debts	25	25
Commission on sale of shares	80	80
Refugee relief fund	100	100
Water Impounding fee	100	100
Net Profit carried to Balance Sheet	1,28,500	1,28,500
Total Report		1,28,500

COMPANY LIMITED
LOSS ACCOUNT
 15th, 1947 to March 31st, 1949

	Amount	Total
Costs profit brought forward		1,27,200
Profit earned		75
Miscellaneous income		1,28,500
DETAILS OF DEPRECIATION WRITTEN OFF:		
Building	10,000	10,000
Floor & Machinery	30,000	30,000
Railway Siding	1,500	1,500
Furniture	1,500	1,500
Typewriters	300	300
Motor Car	2,000	2,000
Truck	3,000	3,000
Choke	150	150
Total Report	60,350	60,350

→ These pages are from 1949

THE BATALA ENGINEERING COMPANY LIMITED
TRADING ACCOUNT
 For the period from August 15th, 1947 to March 31st, 1949

	Amount	Total
Opening Stock		1,00,000
PURCHASES:		
Stores Consumed	1,10,000	1,10,000
Py Iron	1,00,000	1,00,000
Stainless Steel	1,00,000	1,00,000
Agricultural Implements	2,00,000	2,00,000
Iron Purchase	2,00,000	2,00,000
Hand Tools	50,000	50,000
Spindly Purchase	50,000	50,000
Manufacturing Machinery	50,000	50,000
Raw Material for Electric Furnace	1,00,000	1,00,000
Refractory Lining	1,00,000	1,00,000
Tools on Balance	50,000	50,000
Oil	1,00,000	1,00,000
Coal	1,00,000	1,00,000
Workshop Establishment	1,00,000	1,00,000
Carriage	1,00,000	1,00,000
Commission	1,00,000	1,00,000
Laboratory Expenses	1,00,000	1,00,000
Solar Cabinet Charges	1,00,000	1,00,000
Rolling Mill Expenses	1,00,000	1,00,000
Machinery Maintenance	1,00,000	1,00,000
Electric Furnace Maintenance	1,00,000	1,00,000
General Maintenance Expenses	1,00,000	1,00,000
Steel Production Expenses	1,00,000	1,00,000
Cost of Sales		1,27,200
Total Report		1,00,000

COMPANY LIMITED
ACCOUNT
 15th, 1947 to March 31st, 1949

	Amount	Total
SALES:		
Agricultural Implements and Machinery		1,00,000
Steel		1,00,000
Closing Stock		1,00,000
Total Report		1,00,000

→ These pages are from 1949

THE BATALA ENGINEERING COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31st, 1950

	Rs. a. p.	Rs. a. p.
AUTHORIZED:		
Rs. 100 in 100 shares of Rs. 100 each	1,00,000	1,00,000
Rs. 50 in 200 shares of Rs. 50 each	1,00,000	1,00,000
Rs. 25 in 400 shares of Rs. 25 each	1,00,000	1,00,000
SUBSCRIBED CAPITAL:		
Rs. 100 in 100 shares of Rs. 100 each	1,00,000	1,00,000
Rs. 50 in 200 shares of Rs. 50 each	1,00,000	1,00,000
Rs. 25 in 400 shares of Rs. 25 each	1,00,000	1,00,000
PAID UP CAPITAL:		
Rs. 100 in 100 shares of Rs. 100 each	1,00,000	1,00,000
Rs. 50 in 200 shares of Rs. 50 each	1,00,000	1,00,000
Rs. 25 in 400 shares of Rs. 25 each	1,00,000	1,00,000
Reserves:		
Capital Reserve	1,00,000	1,00,000
Dividend Reserve	1,00,000	1,00,000
Depreciation Reserve	1,00,000	1,00,000
Bank Over Draft	1,00,000	1,00,000
Employees Provident Fund	1,00,000	1,00,000
Total		1,00,000

COMPANY LIMITED
AT MARCH 31st, 1950

	Rs. a. p.	Rs. a. p.
NET BLOCK OF ASSETS LEFT AT BATALA:		
As per last Balance Sheet		1,00,000
ADDITIONS:		
As per last Balance Sheet	1,00,000	1,00,000
DECREASES:		
As per last Balance Sheet	(1,00,000)	(1,00,000)
Total		1,00,000

Cover page of 1950



Beco Balance Sheet & Statement of Accounts, 1950

THE BATALA ENGINEERING COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31st, 1950

	Rs. + p.	Rs. + p.
Brought forward		42,208 12 6
SUSPENSE ACCOUNT		
As per last Balance Sheet		2,000 0 0
SUNDRY CREDITORS		
Current wages	206 4 0	
State L&E Institute	46,620 8 0	
For expenses	1,12,401 8 1	
For other balances	1,90,228 14 3	790,864 17 6
MANAGING DIRECTOR'S COMMISSION		
As per last Balance Sheet	11,470 0 0	
Commission for the year (Subject to adjustment)	11,201 12 6	22,671 12 6
LOAN FROM GOVERNMENT		
For purchase of machinery	5,00,000 0 0	7,50,000 0 0
INTEREST PAYABLE		
As per last Balance Sheet	9,587 3 6	
Addition for the year	1,866 3 0	11,453 6 6
DEBIT DEPOSIT		
As per last Balance Sheet		60,800 12 6
PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	54,030 4 3	
Addition for the year as per Profit & Loss Account	1,96,742 1 4	2,50,772 5 7
Total Rs.		42,208 12 6

AUDITORS REPORT

We have audited the Balance Sheet of the BATALA ENGINEERING CO. LTD., LAHORE as at 31st March, 1950 together with Profit & Loss Account for the period ended then. We have obtained all the information and explanations required for an audit in accordance with the provisions of the Companies Act, 1929 and the provisions of the Companies (Auditors) Regulations, 1948. In our opinion the Balance Sheet and Profit & Loss Account are drawn up in accordance with the law and the Balance Sheet exhibits a true and correct picture of the Company's affairs according to the best of our information and explanations given to us and shown by the books of the Company. In our opinion the books of Accounts have been kept by the Company as required under Section 108 of the Indian Companies Act, as applicable to Pakistan.

July 26th, 1950
25, The Mall, Lahore.

RAHIM JAN & CO.,
Chartered Accountants, Auditors.

COMPANY LIMITED
AT MARCH 31st, 1950

	Rs. + p.	Rs. + p.
Brought forward		50,000 0 0
INVESTMENT (as asset)		
As per last Balance Sheet		5,000 0 0
CASH & OTHER BALANCES		
State Bank Lahore, B.L.	201 0 0	
State Bank Lahore, Branch	27 1 0	
Citizens Bank Ltd., Karachi	86,000 15 0	
Cash in hand	49 0 0	
Cash in bank	11,000 0 0	
Lahore Bank (Citizens Bank Ltd.)	11,000 11 4	1,17,327 11 4
SUSPENSE ACCOUNT		
As per last Balance Sheet		11,200 16 6
Total Rs.		42,208 12 6

MOHD. ISMAIL, Accountant
M. SHARIF CHAUDHRI, MOHD. ISRAHIM, Directors
C. M. LATIF, Managing Director

→ These pages are from 1950

THE BATALA ENGINEERING COMPANY LIMITED
PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31st, 1950

	Rs. + p.	Rs. + p.
Establishment		95,621 6 8
Managing Director's remuneration		10,000 0 0
Managing Director's Commission (Subject to adjustment)		22,671 12 6
Director's Fee and T. A.		10,000 0 0
Rent Paid and Payable		76,261 5 0
Printing and Stationery		12,225 0 0
Telephone Charges		18,728 0 0
Stationery and Printing		10,750 21 0
Traveling Expenses		22,225 0 0
Tram Charges		1,000 0 0
Lighting Expenses		11,470 0 0
Car Expenses		10,500 0 0
Truck Expenses		1,100 12 0
Repairs		1,117 0 0
Advertisement		11,000 0 0
Income Tax Paid (Provisional)		1,100 0 0
Trade Expenses		10,000 0 0
Maintenance Expenses		1,111 10 0
Charges		1,400 0 0
Depreciation Expenses		2,000 0 0
Legal Expenses		90,000 0 0
Interest Paid and Payable		11,453 6 6
Sales Tax Paid and Payable		1,000 0 0
Filing Fee		850 0 0
Contribution to Provident Fund		1,200 0 0
Commissions		1,100 0 0
Depreciation written off (For detail see opp. page)		1,100 0 0
Audit Fee		1,000 0 0
Net Profit Carried to Balance Sheet		1,96,742 1 4
Total		11,453 6 6

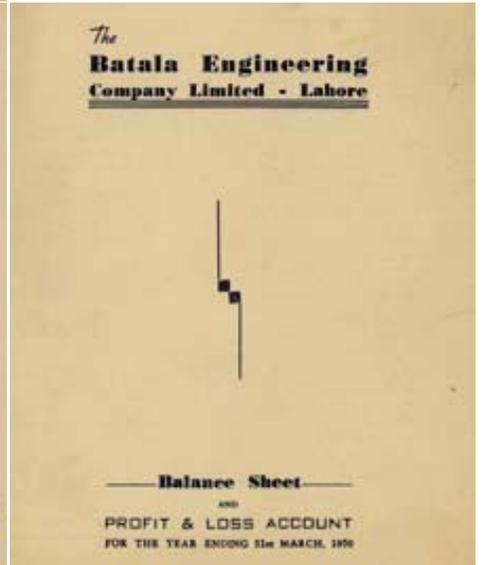
July 26th, 1950
25, The Mall, Lahore.

MOHD. ISMAIL, Accountant
M. SHARIF CHAUDHRI, MOHD. ISRAHIM, Directors

COMPANY LIMITED
ENDED MARCH 31st, 1950

	Rs. + p.	Rs. + p.
Drawn Profit brought forward		12,000 0 0
Share Account		10 0 0
Miscellaneous Income		30,218 8 6
DETAILS OF DEPRECIATION WRITTEN OFF		
Building	70,000 14 4	
Machinery	90,000 0 0	
Railway Rolling Stock	1,200 0 0	
Furniture	1,000 0 0	
Trucks	1,000 0 0	
Motor Car	1,000 0 0	
Truck	1,000 0 0	
Crane	100 0 0	
Total Depreciation	1,31,300 14 4	
Total		11,453 6 6

RAHIM JAN & CO., Chartered Accountants, Auditors
C. M. LATIF, Managing Director



→ Cover page of 1950

THE BATALA ENGINEERING COMPANY LIMITED
TRADING ACCOUNT FOR THE YEAR ENDED MARCH 31st, 1950

	Rs. + p.	Rs. + p.
Opening Stock		4,47,000 0 0
Agricultural Implements		1,81,071 11 4
Purchases (Bills)		30,50,000 13 0
Hand Cakes		6,98,206 0 0
Items Consumed		1,11,040 3 4
Pig Iron, C.I. Scrap and M.S. Plates, etc.		16,61,720 3 0
Oil		2,30,000 13 0
Fuels		20,657 2 3
Railway Siding Charges		3,820 3 6
Electricity		1,00,000 13 3
Drawn paid on Bills		30,100 0 0
Carriage		11,720 10 0
Workshop Establishment		8,20,000 4 0
House Rent		30,500 0 0
Bills Carrying Charges		60,000 0 0
Re-Bolling Iron		90,100 0 0
Raw Material for Electric Furnace		1,70,000 11 0
Manufactured Machinery		1,10,000 0 0
Gross Profit Carried to Profit and Loss Account		12,90,807 4 6
Total		10,00,000 0 0

July 26th, 1950
25, The Mall, Lahore.

MOHD. ISMAIL, Accountant
M. SHARIF CHAUDHRI, MOHD. ISRAHIM, Directors

COMPANY LIMITED
TRADING ACCOUNT FOR THE YEAR ENDED MARCH 31st, 1950

	Rs. + p.	Rs. + p.
SALES		
Hand Cakes		11,07,000 15 6
Steel		6,52,100 0 0
Pig Iron, C.I. Scrap and M.S. Plates, etc.		3,00,000 0 0
Agricultural Implements		6,73,700 11 6
CLOSING		
Stocks		21,90,000 0 0
Total		10,00,000 0 0

RAHIM JAN & CO., Chartered Accountants, Auditors
C. M. LATIF, Managing Director

→ These pages are from 1950

Balance Sheet & Statement of Accounts, 1951

These pages are from 1951 ←

Directors' Report

The Shareholders,
The Bata Engineering Co. (Pakistan) Ltd.,
Lahore.

Dear Shareholders,

The Board of Directors of the Bata Engineering Co. (Pakistan) Ltd., have pleasure in presenting the Balance-Sheet as on 31.3.51 to the shareholders. The shareholders are aware that this account was formed on the basis of a Balance-Sheet of the Bata Engineering Co. (Pakistan) Ltd. as on 31.3.50 as amended by the High Court of Lahore on 12.3.50 in accordance therewith the assets and liabilities of the Bata Engineering Co. Ltd. as it existed in Pakistan were taken over and shares were allotted to the various shareholders who surrendered their share certificates on the basis of clauses 2 and 3 of the Scheme of Arrangement. In addition to the holders were entitled to compensation under clause 7. The Directors have not yet finally valued the amount and the form of compensation which has to be paid to the shareholders. The Directors have, however, in the meantime issued additional capital to the extent of 20 per cent of the paid up capital of the shares surrendered and have distributed it amongst the shareholders. The balance of the amount being the difference between the amount and liabilities taken over and shares allotted is being carried on the Reserve Account which is at the disposal of the shareholders.

The directors are also placing before the General Meeting the question of compensation to Messrs. Ch. Muhammad Shafi, C. M. Latif and Comptroller High Muhammad Siddiq Choudhri under clause 7 of the Scheme of Arrangement. This has been mentioned in the last of the Balance-Sheet also.

In accordance with the Articles of Association, it is intended to appoint a firm of Auditors. This is being placed before the shareholders at an extraordinary General Meeting.

The total profits of the Company are Rs. 2,17,045/12/-, which considering the difficulties to be met, are considered to be reasonable. The distribution of the profits is as follows—

	Rs. a. p.
Net profit as per P & L Account subject to—	
Income-Tax	217,045 12 0
Less dividend proposed	95,000 0 0
Balance to be carried forward	1,22,045 12 0

It is intended that dividend at 10 per cent be announced at the date of the date of the Balance-Sheet.

Dated 26th Feb. 1951

(Sd) ABUL AZIZ MALIK,
C. M. LATIF,
GHULAM NABI,
M. SHARIF CHUDHRI,
Directors.

The
Bata Engineering
Company (Pakistan) Limited
LAHORE



Balance Sheet
AND
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31st MARCH 1951

Cover page of 1951

THE BATALA ENGINEERING COMPANY (Pakistan) Ltd., LAHORE

ON 31st MARCH 1951.

CAPITAL & LIABILITIES	Rs. a. p.	Rs. a. p.
AUTHORIZED CAPITAL:		
50,000 "A" Class Ordinary Shares of Rs. 50/- each	25,00,000 0 0	
50,000 "B" Class Ordinary Shares of Rs. 50/- each	25,00,000 0 0	50,00,000 0 0
UNPAID CAPITAL:		
10,000 "A" Class Ordinary Shares of Rs. 50/- each	5,00,000 0 0	
8,000 "B" Class Ordinary Shares of Rs. 50/- each	4,00,000 0 0	9,00,000 0 0
912 C.P. Shares of Rs. 10/- each	9,120 0 0	9,120 0 0
CALLED AND PAID UP CAPITAL:		
1,148 "A" Class Ordinary Shares of Rs. 50/- each	57,400 0 0	
11,000 "B" Class Ordinary Shares of Rs. 50/- each	5,50,000 0 0	
20,000 "C" Class Ordinary Shares of Rs. 20/- each	4,00,000 0 0	
912 C.P. Shares of Rs. 10/- each	9,120 0 0	10,072 0 0
Less—Calls in arrears	41,900 0 0	5,872 0 0
Called-up Capital of old Company	1,32,770 0 0	1,32,770 0 0
GENERAL RESERVE ACCOUNT: (in the disposal of the Shareholders of the Bata Engineering Co. Ltd. (Incorporated) subject to transmission of assets vide clause 7 of the Scheme of Arrangement approved by the High Court, Lahore vide orders dated 12th February 1950 and 1st allotment of shares are to be allotted in terms of clause 3 of the same Scheme)	10,00,000 0 0	10,00,000 0 0
This is further subject to transfer to the credit of Mr. M. Shafi Choudhri, Mr. C.M. Latif and Comptroller High Muhammad Siddiq Choudhri on account of compensation for land vide clause 4 of the Scheme		
RESERVE FOR DIVIDEND AND INCOME TAX: (the amount under clause 2 (1) of the scheme of arrangement approved by the High Court)	1,95,000 0 0	1,95,000 0 0
Reserve for Depreciation	3,40,000 0 0	3,40,000 0 0
LOAN:		
Government of Pakistan	5,00,000 0 0	
Banking Deposits	1,12,000 0 0	
Fixed Deposits	6,78,000 12 0	6,99,000 12 0
SUNDRY CREDITORS:		
For Expenses	1,10,000 0 0	
For Purchase Government of Pakistan	2,50,000 0 0	
For other Parties	1,23,750 12 0	3,83,750 12 0
Carried over	68,830 0 0	68,830 0 0

THE BATALA ENGINEERING COMPANY (Pakistan) Limited

BALANCE SHEET AS AT MARCH 1951.

PROPERTY & ASSETS	Rs. a. p.	Rs. a. p.
LAND & BUILDING AT COST:		
As at 3-4-50	8,10,013 0 0	
Address during the year	9,90,207 12 0	
Value over from Malabar Iron & Steel Works Ltd.	4,40,421 0 0	13,40,641 0 0
PLANT & MACHINERY AT COST:		
As at 3-4-50	5,25,000 0 0	
Address during the year	1,45,207 12 0	
Value over from Malabar Iron & Steel Works Ltd.	30,21,250 0 0	36,91,457 12 0
CARS AT COST:		
As at 3-4-50	21,864 12 0	
Address during the year	20,000 0 0	41,864 12 0
CYCLES AT COST:		
As at 3-4-50	87 0 0	
Address during the year	227 0 0	314 0 0
FURNITURE AT COST:		
As at 3-4-50	22,400 0 0	
Address during the year	1,98,000 0 0	2,20,400 0 0
RAILWAY RIDING AT COST:		
As at 3-4-50	10,100 0 0	
Address during the year	200 0 0	10,300 0 0
TYPEWRITERS AT COST:		
As at 3-4-50	2,000 0 0	
Address during the year	200 0 0	2,200 0 0
TRUCKS AT COST:		
As at 3-4-50	4,000 0 0	
WALLOCK AT COST:		
As at 3-4-50	100 0 0	
INVESTMENT AT COST:		
Shares of the West Punjab Steel Corp. Ltd. as at 3-4-50	1,000 0 0	1,000 0 0
Work Control Board Deposit	1,000 0 0	1,000 0 0
Carried over	36,67,000 0 0	36,67,000 0 0

These pages are from 1951 ←

THE BATALA ENGINEERING COMPANY (Pakistan) Limited

BALANCE SHEET AS AT MARCH 1951.

ASSETS	Rs. a. p.	Rs. a. p.
Brought forward	68,830 0 0	68,830 0 0
Business Precedent Fund	1,000 0 0	1,000 0 0
BANK OVERDRAFT:		
With Creditors Bank Ltd. Lahore	20,21,000 0 0	20,21,000 0 0
PROFIT AND LOSS ACCOUNT:		
Net Profit for the year subject to Income Tax	1,17,045 12 0	1,17,045 12 0
RE.— The allotment of shares has been made in terms of the Scheme of Arrangement sanctioned by the High Court, Lahore vide orders dated 12-2-50. The amount of the Commission of Capital Issues, however, remains available which are in communication with the High Court. The matter is under consideration. The Balance Sheet and Profit and Loss Account have been prepared according to the said Scheme of Arrangement.		
Total Rs.	21,29,075 0 0	21,29,075 0 0

AUDITORY REPORT

We have audited the Balance Sheet of the Bata Engineering Co. (Pakistan) Ltd., Lahore as at 31st March, 1951 together with Trading and Profit and Loss Account for the year ended that date. We have obtained all the information and explanations required for us and in our opinion such Balance Sheet and Trading and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct picture of Company's affairs according to the best of our information and explanation given us and as shown by the books of the Company. We are not making any statement hereon as to the correctness or otherwise of the figures shown in the Balance Sheet as on 31st March 1951 as appearing in the Balance Sheet.

RAMESH CHANDRAN & CO.,
Chartered Accountants, Auditors.

THE BATALA ENGINEERING COMPANY (Pakistan) Limited

BALANCE SHEET AS AT MARCH 1951.

LIABILITIES	Rs. a. p.	Rs. a. p.
STOCK IN HAND:		
As valued and certified by the Managing Director at cost at Market value whichever be less	30,50,500 0 0	30,50,500 0 0
SUNDRY DEBITORS:		
Considered good for which Co. hold no security other than personal	1,00,000 0 0	
Due from Malabar Iron and Steel Works Ltd.	4,00,000 0 0	5,00,000 0 0
ADVANCES:		
To staff	100 0 0	
For purchases	50 0 0	150 0 0
SECURITY DEPOSITS:		
Work Control Board Deposit	1,000 0 0	
Revenue Office, P.W.D.E.B. Lahore	5,700 0 0	
The deposit of Share Book of Pak. with Creditors Bank Ltd. Lahore	915 0 0	
At Lahore	230 0 0	7,845 0 0
SUNDRY CREDITORS:		
CASH AND BANK BALANCES:		
The Current Account with—		
The State Bank Ltd. Lahore	200 0 0	
Creditors Bank Ltd. Lahore	1,000 0 0	
Creditors Bank Ltd. Rawalpindi	80,000 0 0	
Creditors Bank Ltd. Karachi (a/c "B")	2,000 0 0	
Creditors Bank Ltd. Karachi (a/c "C")	2,000 0 0	
State Bank Ltd. Lahore (P.W. Trust Society)	1,100 0 0	1,21,200 0 0
LETTERS OF CREDIT WITH—		
(a) Creditors Bank Ltd. Lahore	4,000 0 0	
(b) Habib Bank Ltd. Lahore	5,000 0 0	
Bank and Cheques in hand	3,000 0 0	
Loans in hand	11,000 0 0	19,000 0 0
Total Rs.	21,29,075 0 0	21,29,075 0 0

MOHD. ISMAIL,
Auditors.

GHULAM NABI,
M. SHARIF CHUDHRI,
ABUL AZIZ MALIK,
Directors.

C. M. LATIF,
Managing Director.

Balance Sheet & Statement of Accounts Continued for 1951

THE BATALA ENGINEERING COMPANY (Pakistan) Ltd.
PROFIT AND LOSS ACCOUNT FOR THE YEAR

	Rs. a. p.	Rs. a. p.
Establishment:		
Sal. Managing Director	16,000 0 0	
141 Others	27,170 14 0	43,170 14 0
Managing Director's Commission		11,500 0 0
Depreciation: For and T. A.		11,000 0 0
Rent Paid	22,200 0 0	
Telephone & Telegrams	6,600 0 0	
Telephone Charges	12,200 0 0	
Stationery & Printing	11,200 0 0	
Traveling Expenses	9,500 0 0	
Tram Charges	900 0 0	
Laboratory Expenses	340 0 0	
Car Expenses	10,300 0 0	
Truck Expenses	20,100 0 0	
Repairs	81,000 0 0	
Advertisement	2,800 0 0	
Income Tax Paid in Advance		2,800 0 0
Trade Expenses	9,700 0 0	
Debit-Share Relief Fund	1,200 0 0	
Miscellaneous Expenses	3,400 0 0	
Charity	1,500 0 0	
Depository Expenses	1,400 0 0	
Commission Paid	1,400 0 0	
Legal & Professional Expenses	25,000 0 0	
Interest Paid & Forfeited	1,70,170 0 0	
Income Tax Account	11,000 0 0	
Contribution to Provident Fund	1,200 0 0	
Insurance Charges	21,000 0 0	
Commissions	1,200 0 0	
Reimbursement of Billing H.R. Bills	9,000 0 0	
House Tax Paid	1,000 0 0	
		4,34,100 0 0
DEPRECIATION WRITTEN OFF:		
Buildings @ 5%	70,000 0 0	
Plant & Machinery @ 15%	20,000 0 0	
Roller & Siding @ 25%	1,000 0 0	
Furniture @ 5%	1,000 0 0	
Transportation @ 25%	400 0 0	
Cars @ 25%	10,000 0 0	
Trucks @ 25%	2,000 0 0	
Carters @ 25%	200 0 0	
		84,600 0 0
Net Profit carried to Balance Sheet Subject to Income Tax		2,27,600 0 0
Total		4,58,700 0 0

29th June 1951
25, The Mall, Lahore.

RAHIM IAN & CO.,
Chartered Accountants, Auditors.

COMPANY (Pakistan) Ltd.
ENDED MARCH 31st 1951

	Rs. a. p.	Rs. a. p.
Over Profit brought Forward		22,000 0 0
Miscellaneous Income		
Licensing & Royalties	21,100 0 0	
Miscellaneous Receipts	1,200 0 0	23,200 0 0
Differences in Exchange	4,000 0 0	
Contingencies	32,200 0 0	57,400 0 0
Total		80,600 0 0

MOHD. ISMAIL,
Accountant

GHIJLAM NABI
M. SHARIF CHAUDHRI
ABDUL AZIZ MALLIK,
Directors

C. M. LATIF
Managing Director

→ These pages are from 1951

THE BATALA ENGINEERING Co. (Pakistan) Ltd., LAHORE
TRADING ACCOUNT FOR THE YEAR ENDING MARCH 31st 1951

	Rs. a. p.	Rs. a. p.
Purchases of:		
Agricultural Implements	1,03,500 0 0	
Billets	14,00,700 0 0	
Hard Coke	1,71,800 7 0	
Iron Castings	3,80,000 0 0	
Pig Iron, C. I. Irons, M. S. Plates etc.	20,91,200 0 0	
Formax Oil and other lubricants	2,40,000 0 0	
Fuel	20,000 0 0	
Iron Cast	8,100 0 0	
Re-Rolled Scrap	30,000 0 0	
Raw Material for Electric Furnace	3,00,000 0 0	
Cost of Machine Tools Manufactured	2,55,000 0 0	50,38,500 0 0
To Biller carrying charges	32,700 0 0	
To Railway Siding Charges	800 0 0	
To Electricity Charges	1,64,000 0 0	
To Duty paid on Billets	6,000 0 0	
To Cartage	15,700 0 0	
To Workshop Establishment	80,000 0 0	50,38,500 0 0
To Gross Profit carried to Profit & Loss Account		12,80,500 0 0
Total		72,50,000 0 0

29th June 1951
25, The Mall, Lahore.

BAHMIAN & CO.,
Chartered Accountants, Auditors.

Co. (Pakistan) Ltd., LAHORE
YEAR ENDING MARCH 31st 1951

	Rs. a. p.	Rs. a. p.
Stock at:		
Start	21,00,000 0 0	
Stock begun	22,00,000 0 0	43,00,000 0 0
Agricultural Implements		3,20,000 0 0
Pig Iron, Scrap, M. S. Plates, etc.		10,00,700 0 0
Hard Coke		3,80,000 0 0
Machine Tools		1,00,000 0 0
Stock at hand		41,00,000 0 0
Total		54,00,000 0 0

MOHD. ISMAIL,
Accountant

GHIJLAM NABI
M. SHARIF CHAUDHRI
ABDUL AZIZ MALLIK,
Directors

C. M. LATIF
Managing Director

The Batala Engineering Company (Pakistan) Limited
LAHORE



Balance Sheet
AND
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31st MARCH 1951

PRINTED AT THE LION PRESS, LAHORE

→ Cover page of 1951

NOTICE

An Extraordinary General Meeting of The Batala Engineering Company (Pakistan) Limited, Lahore will be held on Sunday, the 15th August, 1951, at 11-30 a.m. at the Registered Office of the Company, 6 George Row Trust Buildings, The Mall, Lahore, to transact the following business:

All the Shareholders are respectfully requested to attend the meeting in time—

Agenda

- To consider the resolution of the Directors dated 24-25-50, which read as follows, and to confirm alterations made vide Board Resolution No. 9 dated 1st July 1951:—
"Whereas under clause 7 of the Scheme of Arrangement sanctioned by the High Court of Judicature at Lahore on 3rd February, 1950 the compensation payable to the shareholders of the Batala Engineering Co. Ltd., who have surrendered their shares to the Company is to be determined after the completion of the exchange, the matter may now be placed before the next General Meeting.
Resolved further that in view of the fact that the final valuation of the assets taken over under the said Scheme of Arrangement has not yet been completed the Directors recommended to the members that the final decision of the question of compensation be postponed for the present and in the meantime all the shareholders of the Batala Engineering Co. Ltd., who have surrendered their shares to the Company be given, in addition to the shares to be allotted under para 3 of the said Scheme, fully paid-up shares equal to 25% of the capital paid up on the shares surrendered by them. Fraction of a share to be ignored if the shareholder does not deposit the deficiency within one month of the notice."
- To fix the amount of compensation payable by the Company to Mr. C.M. LATIF, Mr. Mahomed Sharif Chaudhri and Comrade HAJI MAHMOOD SIDDIQI Chaudhri, promoters of the said share 33 held in one share at Batala under the Batala Factory and to determine the amount of payment of such compensation. The compensation is to be settled in accordance with paragraph 4 of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature at Lahore on 3rd February, 1950, which reads as follows:—
"Messrs. Ch. Mahomed Sharif, Mr. C.M. LATIF and Comrade HAJI M.S. CHAUDHRI (hereinafter referred to as the Promoters) shall receive all their rights and interests in their said shares in Batala, which is under the Batala Factory, amounting about 33 held in the Batala Engineering Co. Ltd."

respective shall be said but compensation to be determined in the following manner:—

After the proposed exchange is completed, the question of compensation shall be placed before the Transferee Company in General Meeting and the amount of compensation determined by the General Meeting shall be paid to the said promoters. In case the decision of the General Meeting is not acceptable to the Promoters, the amount payable as compensation shall be decided by arbitration. The promoters shall be entitled to receive from the Transferee Company once as at present all the compensation in writing and paid."

The Directors of the Company (Mr. C.M. LATIF and Mr. M. Sharif Chaudhri) on voting recommended that the amount of the said compensation be fixed at Rs. 1,00,000 as under:—

(a) Rs. 1,00,000:— In allotment of 1,000 Ordinary Shares "A" Class of Rs. 100 each, fully paid and 10,000 Ordinary Shares "B" Class of Rs. 10 each, fully paid up to the promoters as their remuneration.

(b) Rs. 1,00,000:— to be paid in cash. This amount is not part thereof, as long as it is not paid shall be deemed to be a deposit with the Company carrying interest at 7.5% p.a.

The amount of compensation recommended by the Directors is the same as was sanctioned by the members in their meeting held on 2nd December, 1949 under the order of the Hon'ble High Court of Judicature at Lahore for consideration of the Scheme of Arrangement. The matter is now being placed for settlement by the members in accordance with the altered order of the High Court dated 3rd February, 1950.

- To consider resolution of Directors Re: Appointment of Messrs. Breen Agency Limited as Managing Agents of the Company on terms set out in a draft agreement annexed herewith, and to pass the following resolution:—
(a) To pass an ordinary resolution approving the amended appointment of Messrs. Breen Agency Limited as Managing Agents of the Company on the terms and conditions set out in a draft agreement annexed to this resolution.
- To pass a special resolution as recommended by Section 103 of the Companies Act, 1913 authorizing the terms relating to remuneration of the said Managing Agents.
- The terms relating to the remuneration are set out in para 5 of the draft agreement.
- To consider various problems which the company is facing.

By order of the Board,
C. M. LATIF,
Managing Director.

Dated: 30th July 1951

→ These pages are from 1951

Latif's Speech at the 1952 Annual Meeting



Latif's 1952 Speech

Following pages are scanned images of this book (cover page above), which is actually a speech delivered by Mr. Latif in a share-holders' meeting. It also gives an insight in the Company at Batala, specially updated information from the years 1947 till 1952.

Most of the opening contents in the speech are regarding Batala which have already been narrated in the previous pages. Nevertheless, the speech is being reproduced, as after the opening page the rest of the text is a follow up of Beco's history.

Speech of Mr. C. M. Latif, Managing Director of the Batala Engineering Company (Pakistan) Limited Lahore, at the Annual General Meeting of the Share-holders held on the 21st December, 1952.

LADIES AND GENTLEMEN!

Before I ask you to approve our Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ending 31st March, 1952, I propose to summarise some salient facts and important features which will throw light on our past, present and future difficulties and achievements.

HISTORY OF THE COMPANY

The present Company, The Batala Engineering Co. (Pakistan), Ltd., Lahore, was incorporated with the Registrar of the Joint Stock Companies at Lahore, on 15th February, 1950 and the Commencement of Business Certificate was obtained on 1st April, 1950. But, as you all know, this

Company has its genesis in the Batala Engineering Co. Ltd., Batala, which was established in March, 1932, with a meagre authorized capital of Rs. one lac. It started business in July, 1933 with a paid-up capital investment of Rs. 6,000. In the year 1938 the authorized capital of the Company rose to Rs. 3 lacs which later on was increased to Rs. 25 lacs.

During the years 1930 to 1936, the days of severe slump and depression in the world market, the Company had been progressively striding from success to success and was able to declare its dividend as high, as 10 to 15%.

At the outbreak of World War II, the Company diverted its energies towards manufacturing machine tools on an organized basis. By the end of the War, by dint of technical knowledge of our experts and solid financial position, the Company found itself sufficiently strong to continue machine tools manufacture, even in the post-war period. The Company had by that time gained reputation of being one of the three big machine tool manufacturing concerns in pre-Partition India.

As a result of the establishment of Pakistan most of the share-holders and the directors migrated to Lahore along with Company's record. This migration brought with it the intellect and the personnel of the Company but almost all its assets were left behind.

In December, 1947, the Batala Company popularly known as BECO, was allotted Mukand Iron & Steel Works Ltd., Badami Bagh, Lahore. This abandoned factory required reconditioning on a large scale. Soon after allotment about 120 machines of the Wagner Plant, obtained from Germany, were also installed in the premises of the allotted factory. Huge constructions had to be undertaken to accommodate these machines. The Machine-Shop, Fitting-Shop, other big shops like Iron Foundry, new Re-Rolling Mill-Shop and Structural-Shop, stores and offices were unavoidable necessities. This huge lay-out was completed at colossal costs.

Simultaneously with the rapid improvement and extension in the Lahore works, BECO was actively negotiating an exchange with the owners of the Mukand Iron & Steel Works Ltd., which was completed by a Conveyance Deed of Exchange in the month of June, 1950. This transaction was confirmed by the Governments of Pakistan and India. It is fully known to you that the BECO Works in Badami Bagh are now the property of the share-holders of this Company.

Beco Pakistan's Valuable National Asset

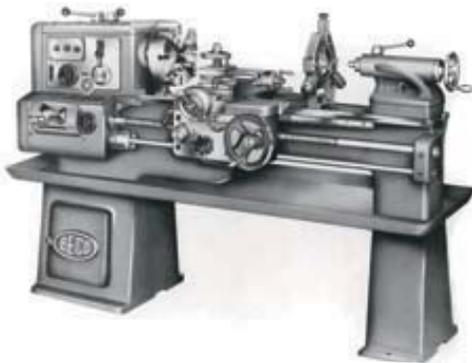
In a short period of 3 years the old dilapidated small Mukand Factory grew into upto-date, modern, huge BECO Works, covering an area of 25 acres. It is now the biggest plant for machine tools manufacturing in South-East Asia while its Steel Making Section and Re-Rolling Mills are the biggest in Pakistan. BECO today is an enviable pride for the share-holders and valuable national asset for Pakistan.

ACHIEVEMENTS AND PRODUCTION

BECO is the largest concern in the field of engineering in Pakistan and is at present engaged in:-

- (1) Manufacture of machine tools and machinery.
- (2) Manufacture of modern design diesel oil engine.
- (3) Steel making by electric process.
- (4) Steel re-rolling mills.
- (5) Steel foundry for steel castings for Railway and other use, iron foundry for iron castings weighing up to 10 tons.
- (6) Manufacture of cotton-ginning and delinter machines.
- (7) Manufacture of agricultural implements.
- (8) Processing of steel for all kinds of structural work.

Below is a picture and specifications of lathe machine model BE-165 to give an idea about our lathe machines.



BECO General Purpose Lathe Model BE 165.			
A General Purpose Lathe built for medium type of work.			
Centre height	...	165 mm	6 1/2"
Swing over Bed	...	320 mm	12 1/8"
Distance between centres :			
	Size I	750 mm	2'-5 1/2"
	Size II	1000 mm	3'-3 1/2"
	Size III	1525 mm	5'-0"
	Size IV	1830 mm	6'-0"
No. of Spindle speeds	...	8	
Range of Spindle speeds	...	31-800 R.P.M.	
Motor power	...	2 H. P.	

More pictures and details follow.

As far as the manufacture of machine tools is concerned it goes to the credit of the Company that it produces the following:-

- (1) Beco Geared Head Lathe BE-250 in 3 sizes.
- (2) Beco Geared Head Lathe BE-165 in 3 sizes.
- (3) Beco Geared Head Bench Type Lathe BE-133.
- (4) Beco Pillar Drill PD 16 and UD 38.
- (5) Beco Shaping Machine SH-469.

The Company is manufacturing the above-named machine tools on a mass scale and a number of its lathes are in use for the last two years in the Railway shops, Army, Navy and other engineering concerns. The design, quality and performance of the machines manufactured by the Company have proved equal to the best foreign models.

The United States Steel Mission which was constituted and sent to Pakistan at the request of the Pakistan Government in the third quarter of 1949, expressed the following views about BECO :-

"At present the two electric melting furnaces at Lahore are used principally for the production of low carbon steels, though the furnace at Batala Engineering Co. Ltd., produces a small tonnage of alloy steels-chromium molybdenum steel and silico manganese spring steel. The plant is well-equipped and staffed for the manufacture of machine tools, agricultural implements, etc., and it is felt that the use of such furnace to produce quality steels for such purposes is advisable. At present tools, such as reamers, drills, cutters, etc., are all purchased from abroad at a high cost in transportation and material price. The needs of the country for these items can be, at least partially, filled by manufacturing them in Pakistan and a saving in the foreign exchange. The capital expenditure necessary to prepare for this work at Batala should not be large, as this Company has a capable technical staff already and most of the necessary equipment is in good condition. Additional lathes, drills, presses, shapers, heat-treating equipment, etc., would be necessary. This furnace could also be used to manufacture steel for high grade castings and forging for which the demand can be expected to increase with the passage of time."

On the order of the Master General of Ordnance, Defence Department, the Company has successfully completed the manufacture of 3 Nos. prototype articles needed by the Pakistan Army, i.e. (1) workshop lorry, (2) workshop trailer, and (3) water trailer including all the

Beco's New Schemes & Plans

accessory machine fittings and supplied them to the entire satisfaction of the authorities. The Company is shortly expecting to receive a bulk order for the manufacture of the above equipment.

The New Schemes & Plans

The following schemes are receiving keen attention of the Company. Serious efforts are being made to put them in operation within as short a period as possible:-

- (a) six-ton electric furnace.
- (b) installation of re-rolling mills with modern automatic pusher type re-heating furnace.
- (c) steel structural shop.
- (d) manufacture of diesel oil engine.
- (e) wagon manufacturing factory at Karachi.
- (f) manufacture of cotton textile looms.

(a) Six-Ton Electric Furnace: At present we have one electric furnace which has steel-ingot production-capacity of 5,000 tons per year. A new six-ton electric furnace has been received which will be installed by the end of this month, but it cannot be put into operation unless further supply of electricity is made available to us. I have great pleasure in thankfully acknowledging the cooperation of the P. W. D. Electricity Branch. They have assured us that in a month's time, they will put up a new sub-station from where the requisite supply shall be made available. We are confident that from the 1st of April, 1953 both furnaces will run six heats a day, thereby enhancing our ingot production from 5,000 to 15,000 tons per annum.

(b) Installation of Re-Rolling Mills with Modern Automatic - Pusher Type Re-Heating Furnace: The two automatic pusher type re-heating furnaces have arrived and are under process of installation.

As per advice of Mr. S. F. Magis, the steel expert loaned to Pakistan Government under Truman Point-Four-Programme, we have decided to procure two more steel re-rolling mills of the following capacity:-

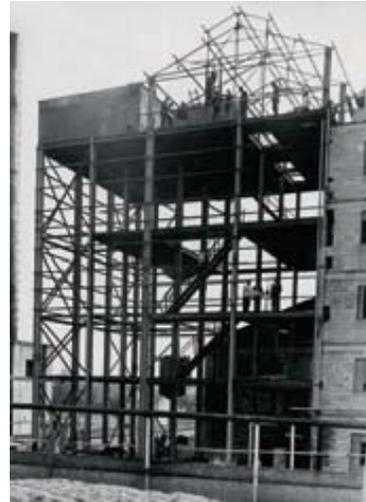
- (i) for re-rolling 1-1/4" to 4" dia round and structural up to 4"x4" with a capacity of 80 to 100 tons per day and
- (ii) other steel re-rolling mill or rolling from 1" to 1'1/4" dia round and light structural with a capacity of 60 to 80 tons a day.

It is hoped that within the next year these two mills

will be imported and installed in new sheds. This will increase our re-rolling capacity of bars, structural, etc., from 20,000 to about 60,000/70,000 tons per annum. You will be pleased to know that with our present equipments we were able to supply almost all steel bars used in Rasul Hydel Project, River Ravi Irrigation Cyphon Project, Nishtar Medical College and various other important national projects.

It is extremely necessary to make reference to the report made by the Supply Committee set up in 1951 in which recommendation was made to advance development loans to the steel re-rollers and steel manufacturing mills in Pakistan. It is said that Cabinet decision was thereupon taken to earmark a sum of Rupees fifty lacs for the purpose of revamping these mills. But nothing seems to have been done in the matter during the last two years. If the Government undertakes even now to help the deserving concerns I am sure it will go to benefit the industry and the state.

(c) Steel Structural Shop: The cranes and other machinery which have been installed in BECO have made it the best equipped steel-structural shop in Pakistan. We have succeeded in fabricating large number of big steel tanks



required by oil companies. We are now able to manufacture all the head works gear required for various hydro-electric schemes also and number of steel articles for the proposed fertilizers, sugar and cement factories of Pakistan.

Heavy steel structures for sugar mills, distilleries and chemical Plants.

(d) Manufacture of Diesel Oil Engine: We have recently taken up the manufacture of diesel oil engine and have obtained designs of 20 H.P. slow speed engine through our London Office from five British leading experts. The first prototype engine will be ready by the end of this month while during the next year we plan to manufacture 100 such engines.

Beco Continues to Flourish & Expand

We are also negotiating with suitable German and Japanese manufacturers of horizontal and vertical type high speed engines, in order to establish tie-up with them, if necessary, for their mass production in Pakistan. The size of these engines will be from 5 to 15 H.P., which will be needed in large number for tube-well irrigation.

Irrigation by tube-well is a burning topic of the day in Punjab. This subject as an alternative source of irrigation has assumed importance for two reasons :-

- (i) the paucity of water in our rivers due to scarcity of rainfall, and
- (ii) obstruction by Bharat in the flow of canal water entering into Pakistan channels coming from their territory.

It must be remembered that weather conditions never remain constant. A study of rainfall statistics shows that cycles of excessive or even normal rainfall is always followed by droughts or poor rains. It is, therefore, imperative for the Pakistan Government in general and the Punjab Government in particular to revise and implement a scheme of permanent nature to meet water scarcity by alternative means. Pakistan cannot afford to purchase food in large quantities from other countries for very obvious reasons. No matter what alternative scheme for irrigation is adopted, it must be realized that tube-wells run by diesel engines must be installed all over the country.

We have been hearing for a number of years that P.W.D. Irrigation Branch have installed 1500 tube-wells but so far they are unable to operate them because of non-availability of electric power. There is no doubt that hydro-electric schemes are under consideration of the Government. It is true that when such energy is made available, it would be cheaper to run the tube-wells. But the question is: can we wait so long; can it be made available to meet the immediate and emergent demands of our people? Furthermore, has the provincial Government sufficient funds for necessary lay-out to distribute energy throughout the length and breadth of such a vast area?

I have returned from Japan a few weeks ago. It is a mountainous country and hydel plants are so extensive that even the rice-fields are electrified for killing insects. Yet there are 11 lac diesel engines of 2 to 10 H. P. working in Japan for various purposes. If in spite of well-distributed rains throughout the year and ample electric supply, Japan

needs so many diesel engines then surely Pakistan, with much less electricity available, needs much more diesel engines.

I am strongly of the opinion that the Government should not wait for the generation of hydel energy before encouraging installation of tube-wells in our province because this attitude will definitely retard our progress in the sphere of cultivation and food production. Individual efforts for installing tube-wells must be encouraged and national plan for sinking at least 10,000 tube-wells, within the next five years, must be taken in hand by the Government without loss of time. In order to achieve this end private enterprisers may be assisted and encouraged by the Government to install tube-wells in areas of sweet water, by advancing 50% of their cost, out of which 25% may be a loan and 25% a subsidy.

I may add that since Partition, individuals have shown inclination towards tube-well sinking in their holdings. By now tube-well diesel pumps of innumerable foreign make have been purchased and installed. For want of lack of standardization, the running and repairs of these diesel pumps is and will be costly as spare parts would not be easily available. If the Government intends to make it a national programme, it is necessary that uniform type of diesel pumping sets should be procured so that difficulty of repairs and replacement of parts may be efficiently obviated.

We, on our part, are ready to offer our full co-operation and utilize our complete resources in this national need. The Company possesses most modern large capital plant and machinery with annual production capacity of at least two crores of rupees. The staff consists of highly technical personnel both Pakistani and European. We can undertake to manufacture and supply 10,000 complete diesel engine pump sets of any standard size within a period of 5 years to the Government or other intending purchasers. The spare parts will also be easily made available at cheap rates. We will also undertake to impart initial operational training and provide repair facilities to our customers during a specified guarantee period.

(e) Wagon Manufacturing Factory at Karachi: Since two and a half years our Company is making frantic efforts in establishing a metal factory at Karachi for complete fabrication of Railway wagons. The importance of this project can only be understood by the fact that during the last two years the Pakistan Railways had placed orders with foreign manufacturers for the supply of Railway wagons and

Priority for National Needs Vital

light steel coaches to the extent of Rs. 6 crores. Furthermore, during the next two years fresh orders worth about 5 to 6 crores of rupees are likely to be placed abroad.

Keeping in view the Pakistan financial position such big orders with foreign firms will adversely affect our foreign exchange. Saving in foreign exchange is the clarion-call of the day. By a conservative estimate we can save Rs. 60 lacs worth of foreign exchange annually if the wagons required by the Railways are indigenously manufactured here.

It may help to promote the feelings of urgency if I draw the attention of the Central Government to the fact that Bharat, whose normal annual requirement is much more than that of Pakistan, has now become self-sufficient. She is now manufacturing 650 coaches and 6,500 wagons every year. It has been recently announced that during the year 1953-54 Bharat will produce 880 coaches, 7,434 wagons, 150 locomotives and 69 boilers. It will thus also become potential exporter of these items. This is achieved by the active co-operation between the Bharat Government and the private enterprisers. If the Government had comprehended the dire necessity of installing a wagon manufacturing factory at Karachi as proposed by us, 2-1/2 years ago, I am sure, by this time, it would have been nearing completion. The Central Government (Industries), however, now seems alive to the necessity and it is hoped that prompt decision shall be taken to help in installing a very vital industrial unit to meet an urgent national requirement.

About 2-1/2 years ago we requested the Central Government for the acquisition of 120 acres of land between Malir Cantt Halt and Malir Railway Station to enable us to start the construction of the proposed wagon factory. It will not serve any worthwhile purpose if I narrate in length numerous obstructions raised by various Departments, thereby delaying the acquisition proceedings. Suffice it to say that on 23rd of June 1952, Mr. Naseer Ahmed, Secretary of Industries, Mr. G. Moeen-ud-Din, Secretary of Works and Health, Mr. Crawford, Deputy Director General Development, Mr. Brown and other officials of the Karachi Improvement Trust were kind enough to accompany me to visit that plot and after considering all the objections and my replication were of the view that the requisite plot suited best for the factory under consideration.

Soon after I left for Japan in order to survey staff and material for efficient set up of this factory. I was also very

pleased to read an A.P.P. report in DAWN of 21-8-1952, under the caption, "Rolling Stock Factory for Karachi".

I had strong impression that by the time I returned home, the Central Government would have been good enough to finish with the acquisition proceedings of the plot under reference. But on my return I was surprised to find that we were where we were 2-1/2 years ago.

In a democratic state national needs and demands of vital importance have priority over individual interests and schemes. They always enjoy precedence over routine civic plans. I am sure that Pakistan being such a state will ultimately rise up to the occasion and in the interests of the nation will assist us in the establishment of wagon manufacturing factory at the site whose acquisition continues to be sought by us since long.



Mr. Latif in Japan during an industrial visit.

Urgency of Improving Import & Export Policy

(f) Manufacture of Cotton Textile Looms: While I was proceeding to Japan a directive was given to me to the effect that during my tour I should visit textile machinery manufacturing concerns, especially those which manufactured looms. During my 10 weeks' tour of Japan I visited about 25 big towns and inspected manufacturing operations of at least 60 industrial concerns. Some of these concerns were those from whom the Pakistan Government and our other enterprisers had purchased textile machinery. I am convinced that BECO can undertake to manufacture spare parts of textile machinery in general and cotton textile looms in particular.

Keeping in view the fact that 60% of the textile machinery now operating in Pakistan and even those under installation are of Japanese manufacture, I am strongly of the opinion that it is in national interest to produce looms in Pakistan by establishing a production plant in association, if necessary, with the Japanese manufacturers. To give it a practicable shape I have already extended invitation to Japanese engineers to visit Pakistan.

On a preliminary survey carried out by us in Pakistan and on information gathered from the Textile Commissioner, Karachi it is estimated that at least 15,000 looms for various textile mills will be required within the next five years. The average cost of loom is about Rs. 1,000. The raw material required for the manufacture of looms is approximately 35-46% of the cost of a loom. If the manufacture of 15,000 looms is made possible in the country, Pakistan will save foreign exchange to the tune of more than one crore Rupees.

This matter was brought to the notice of the Central Government and you would be pleased to know that the plan is receiving their sympathetic and serious consideration.

Import & Export Policy

It is a well-known fact that this country has no raw materials at present for metal industry. In order to accelerate their production the indigenous manufacturers are dependent on the import policy of the Central Government. Unless raw materials are made available in abundance on cheaper rates, the industry cannot thrive and cannot compete with the foreign manufacturers. It is regrettable that in this behalf the policy of the Government is not adequate.

In 1948-49 the Government imported large quantities of iron and steel. Soon after adverse fluctuation

followed. The Government, instead of supplying the goods at the world market rates, evolved a policy of imposing cess on the future imports and in order to cover its expected loss, sold it to the manufacturers on much higher rates. This policy naturally created an atmosphere in which our industry had a definite set-back.

The slump in prices continued till June, 1950 when the Korean War started. There was obvious fall all around and manufacturers did not then feel the hardships of the equalisation cess.

Later, however, in February, 1951, the Punjab Industrial Conference made an emphatic protest against the profiteering policy of the Government and resolved in their second session at Lahore that:-

- (I) the Pakistan Government should take effective steps to acquire various industrial raw materials in large quantities and stockpile them at various industrial centres in the country;
- (ii) the Government should not undertake to supply such industrial raw materials on commercial basis, but should do so, with a view to help and develop the infant-indigenous industry of the country, without making any profit.

Now when the Korean situation is easing out, slump in prices is being increasingly felt every day. The purchases of iron and steel were made at peak prices by private importers. The Government also purchased the stocks under the stock piling scheme, principally for the requirements of the various Government departments.

It was, however, promised to the controlled stockists that by imposition of equalisation contribution the obvious fall-short in price shall be covered. It is interesting to know that although the amount needed to meet the promised cover has been fully realised yet the equalisation contribution is still in vogue. Against the wishes of the Ministry of Industries and with no justification the Central Finance Department had decided to continue this policy in order to cover the shortfall in price of stock purchased by the Government as well.

The steel equalisation contribution may save the Government and public importers but it will fail to provide cheap raw materials to the indigenous steel industry.

The Four Factors of Industrial Growth

Expansion and development of every industry is dependent on four factors:

- (1) **modern machinery,**
- (2) **efficient labour,**
- (3) **cheaper raw materials and**
- (4) **heavy demand of products.**

If anyone of these is missing, the industry suffers. Although shortage of steel in the world market is universally realised yet it cannot be denied that the prices are almost the same everywhere. But due to the present policy of our Government steel materials are not available to us on the world market rates. At present a Japanese, English or Continental manufacturer gets raw materials at Rs. 300/400 per ton, while a Pakistani manufacturer is forced to buy the same at Rs. 700/800. The result is that foreign steel fabrications sell cheaper in our market as compared with indigenous products. This abnormal increase in the price of raw materials has hit hard the industry which now stands completely paralyzed.

I think the Government should remodel its policy in which the following points should have serious considerations:

- (i) the importers' interest, whether Government or private, should not have priority over the interest of the industry;
- (ii) the high control prices which are still in force to protect investment in steel stock-piles should be waived by the Government in the interest of industry and national economy; and
- (iii) the equalisation policy, if not completely abandoned, should be so restricted that it should not put undue burden on the fabricating industry

In the words of Mr. Churchill, the famous Premier of England, restriction of imports though temporarily helps conservation of foreign exchange and improvement of balance of payment position, the right way to achieve these objects is to increase the national production. If Pakistan wants to benefit from the salutary advice of such a world known economic expert, it should so overhaul its policy that imported raw materials should remain available in abundance for the consumption of its industry if and when needed. One suggestion to achieve this objective is to empower the Ministry of Industries to issue import licenses

for industrial raw materials on 12-months basis.

It is very well known to you that our Company had been facing a great set-back on account of financial difficulties. You would be pleased to know that we have overcome them by now. It is entirely due to the good-will and sympathetic attitude of the Central and Provincial Governments that we now find ourselves in a secure position. I request you to join with me in expressing our sincere gratitude to the Government for taking us out of the quagmire by helping us in obtaining a substantial loan from the Pakistan Industrial Finance Corporation. Our heartfelt thanks are also due to the authorities of the National Bank of Pakistan especially Mr. Muhajir, its Managing Director and Pakistan Industrial Finance Corporation, who have greatly helped us in recovering from our unenviable position.

Beco in Sound Financial Position

Our sound financial position can be visualized from the following table of our yearly turn-over:-

- (i) 1950-51 Rs. 4,146,022/-
- (ii) 1951-52 Rs. 5,217,557/-
- (iii) From 1st April, 1952 to 20th December, 1952 our turn-over is Rs 48 lacs. It is hoped that the turn-over for the remaining 3 months, i.e., end of 31st March, 1953 will be in the neighbourhood of Rs 20 lacs, and
- (iv) Planned turnover for 1953-54 Rs two crores.

The entire issued capital of Rs 25 lacs has been fully subscribed. The general fund in the books of the Company stands as Rs 10,32,305/- and reserve for depreciation as Rs 6,82,731/-.



Mr. Schneider, Mr. Sharif, Mr. Latif & Mr. Wagner at Beco Badami Bagh Works in early 50's.

This page is only available in the print edition

Beco's Progress During 1952 & 1953



Following are scanned images from the booklet (cover page on the left). This speech is also reproduced mostly as it gives insight into how the Company progressed from the year 1952 to the year 1953. The portions not reproduced relate to Revision of Tariff Schedule and Tariff Commission as they do not reflect the history of the Company as such.



A scanned page of the booklet is also reproduced left to give information about the offices of the Company.

Some pictures were printed along with this speech and are available for reproduction, which give pictorial impression of what was going on at that time.

Speech of Mr. C. M. Latif, Chairman of the Batala Engineering Company {Pakistan} Ltd. Lahore. at the Annual General Meeting of the Share-Holders. held on the 2nd Oct., 1953.

LADIES AND GENTLEMEN!

Before I request you to approve of the Directors' Report, Audited Balance Sheet and Profit and Loss Account together with Trading Account for the year ending 31st March, 1953, I propose to acquaint you briefly with the work of the Company during the year under report, as well as to highlight some aspects of the future programme of development and expansion.

The Eight Departments of Beco Works

The BECO Works now consist of the following 8 Departments :-

- (a) Steel Works.
- (b) Steel Foundry.
- (c) Steel Rolling Mills.
- (d) Iron and Non-Ferrous Foundry.
- (e) Machine Tool Shop.
- (f) Diesel Engine Shop.
- (g) Structural Shop.
- (h) General Engineering Shop.

(a) Steel Works:

The installation of the new 6-ton electric furnace (Top Charging Type) had been completed in its minutest detail nearly six months ago. But production was delayed mainly because the electric supply was not made available from the new Grid-Electric Sub-Station. This new Grid-Electric Sub-Station seems now to be near completion and we have been intimated by the Electricity Department that current to our new electric furnace will be switched on in the first week of October, 1953. In passing I must here refer to a distressing aspect of the monotonous movement of the red-tape which involves considerable loss not only to the industry but to the nation as a whole as well.



The Beco Steel Works where scrap is converted into steel of the finest quality in accordance with international specifications.

We made repeated efforts to bring home to the P. W. D. Electricity Branch authorities the utmost necessity for the speedy completion of the Sub-Station to feed our new electric furnace. We urged upon them that this would enable us to embark immediately upon the production of at least 1,000 tons of steel ingots doing away with the corresponding volume of imports. This, we stressed, would lead to conservation of foreign exchange to the tune of at least £30,000 a month and, incidentally yield to the Department a monthly revenue of at least Rs. 20,000. But the red-tape moved monotonously slow. This, however, does not make us less thankful to the Department for having completed the Grid Sub-Station at last. I hope this will now put an end to our frequent electric troubles which were due to the very low voltage of the casual supply.

Beco on the Road to Progress & Development

During the year under review we have been able to produce about 600 tons of steel ingots monthly in our 4-ton electric furnace. On starting the operation of this 6-ton electric furnace, however, we expect to step up our average monthly production of ingots from 600 tons to 1,500 tons. This, of course, is conditioned to the regular supply of steel melting scrap and electric energy according to our requirements.

(b) Steel Foundry:

Our steel foundry is the most up-to-date and is equipped with modern machinery such as sand preparation machinery, pneumatic moulding machines, continuous drying ovens and a number of annealing furnaces, etc., etc. In the pre-Partition period this foundry produced 200 tons of steel castings per month. Customers then were mainly the Railways and other Government Departments. But during the year under review, I deeply regret to say, that the Railways diverted their attention to foreign imports thus drastically curtailing our production. We were left to the production of cast steel parts used in our own engineering departments (Diesel Engine and Machine Tool Departments) and the requirements of our rolling mills such as high carbon steel rolls, pinions, etc. There was, however, some demand for our castings from the local customers such as sugar mills and cement factories. No development has taken place in this department nor is there any immediate prospect for it unless the Railways and other Government Departments are persuaded to put into practice the popular slogan: Patronise Pakistan Products.

(c) Steel Rolling Mills:

A merchant mill for rolling small size products has arrived and is under erection now. This mill is to augment the present rolling capacity of small sections. A new pusher type furnace of modern construction has been set up for this mill.

A new shed measuring 75' x 450' to accommodate 18" and 12" merchant mills had been completed a few months ago and a modern design pusher type furnace for feeding the 12" mill has already been installed in the new Rolling Mill Shed. Our efforts to obtain suitable offers for these two mills have not been very successful so far. Our Mill No.1 on which we roll our ingots at present urgently requires replacement. In the mean. time we are continuing our efforts to find some suitable 18" mill.

During the year under review, besides the supply of thousands tons of reinforced bars for various important Government projects, we had successfully manufactured

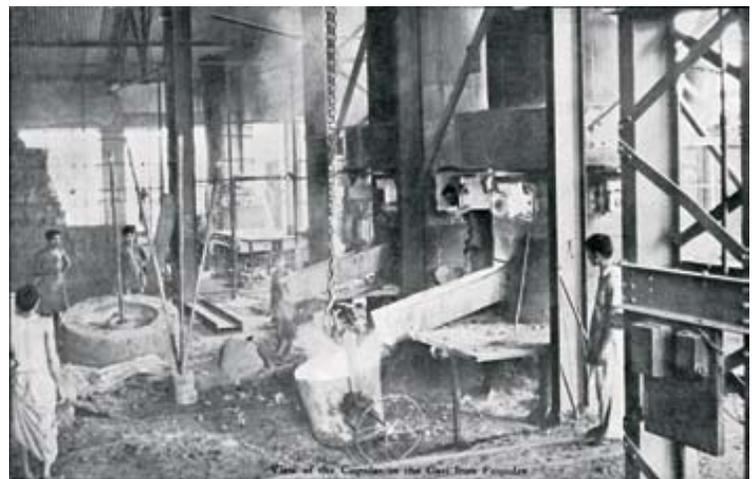
and supplied on the orders of the Director-General, Supply and Development, Government of Pakistan, special high tensile steel bars for use in the telephone factory now under construction at Haripur Hazara.



Mr. C.M.Latif (hat in hand), Mr. Sharif Choudri (hat on) and Mr. Scheinder extreme right inspecting new construction at Badami Bagh.

(D) Iron & Non-Ferrous Foundry:

Without a continuous flow of standard iron and non-ferrous castings of high quality no manufacturing department can successfully achieve its production targets. Due to an increase in the production target of machine tools and diesel engines and other machinery the moulding capacity of the iron foundry has become far too small for the ever-increasing demand for castings both for our engineering departments and the outside customers.



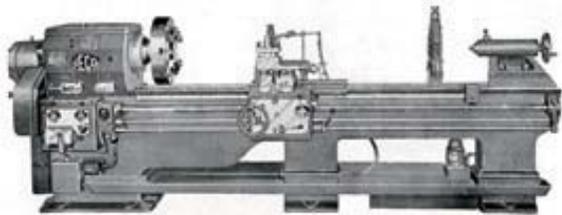
*The Foundry at its Early Stages
View of the Cupolas in the Cast Iron Foundry.*

Some New Beco Products

We have, therefore, decided to increase the output and improve the performance of our foundry by modernising our methods of production and by installing additional equipment such as sand dressing, sand blasting of castings and general use of compressed air ramming and such other needed equipment. We have rebuilt the two 5-ton per hour capacity cupolas. New blowers have been fitted which have resulted in far more efficient performance than before. A special charging balance ensuring uniformity of the once composed metal has been installed and is operating successfully. Electric lift is now serving the cupolas. Two new smaller cupolas along the same platform as the 5-ton cupolas are under construction on the side of the steel foundry shed which would be used largely for iron castings. In view of the ever-increasing demand of the iron castings we will have to consider very soon the construction of a new and a bigger foundry somewhere outside our present premises. We have added another Morgan Tilting Furnace to our Non-Ferrous Section of the Foundry thereby increasing its capacity.

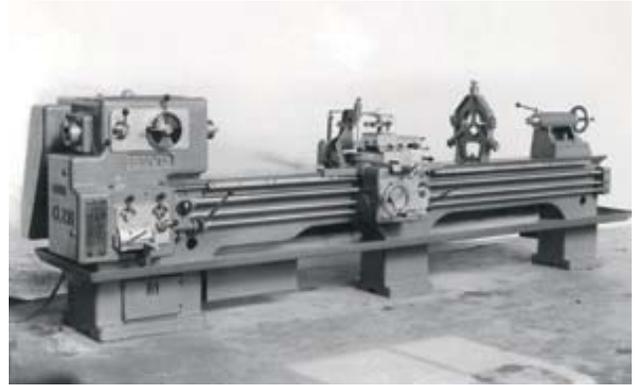
(e) Machine Tool Shop:

Some additional machinery has been installed in this shop. For instance a new planing machine which permits planing of pieces up to 16 1/2 ft. long. The procurement of this machine was due to the demand for longer machines, particularly from textile and Jute mills which need longer machines for reconditioning of calendaring rolls. Now we are in a position to meet this demand and lathes up to 12 ft working length between centres can be manufactured. We have also installed two up-to-date new milling machines and the arrival of an open-side short stroke planer and precision horizontal boring mill is expected very shortly. The purchase of a Spline Shaft Grinding Machine is under consideration. As practically all other types of special machines used in the machine tool production are already available with us, such as spur gear hobbing machine, spur gear shaper, special gear grinding and thread milling machine, Bevel gear generator machine, broaching machine and Keyway milling machine, the procurement of spline shaft grinding machine will be a great asset making the department completely superb.



Heavy Duty Centre Lathe Model BE 250 II.

During the year under review we have further improved our products in this shop. For instance, the well-known lathe type BE-250 has been replaced by a superior type CL-250.



This new model embodies a number of new useful features. The prototype of this new model is nearing completion and CL-250 orders for a number of this type have already been booked. For filling up a gap in our lathe programme another new type model, CL-200, has been taken in hand in our Design Department.

BECO Heavy Duty Centre Lathe Model CL 250		
Designed for exactitude and accuracy.		
Centre height	... 250 mm	9 7/8"
Swing over Bed	... 570 mm	22 1/2"
Distance between centres :		
Size I	1800 mm	5'-11"
Size II	2500 mm	8'-2 1/2"
Size III	3500 mm	11'-4"
No. of Spindle speeds	...	8
Range of Spindle speeds	...	27-650 R.P.M.
Motor power	...	7.5 H.P.

Picture of CL-250 with specifications.

Our Model BE-165 S, (picture on page 49) which is very popular, will remain unchanged for a while. The Bench Lathe Model BE-133 has been replaced by another Precision Bench Lathe, Model BE-115, which likewise will make its appearance within a short time.



Bench Lathe Model "BE 133".

A Machine Tool Shop in 1952/1953

As regards our Shaping Machine SH-460, Pillar Drilling Machine PD-16 and the Upright Drilling Machine UD-38 we can say with legitimate pride that these machines are of such high standards in every respect that we need not contemplate their re-designing for years to come.



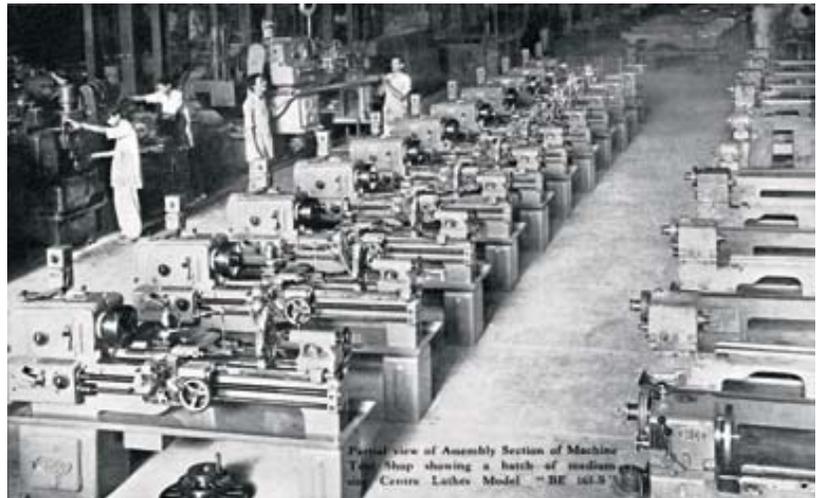
BECO Heavy Duty Shaping Machine Model SH 460.
A high speed Shaper designed for strength, rigidity and accuracy.

Stroke length	...	460 mm	18"
Strokes per minute	...	15 - 96	
Travel of Tool Head	...	150 mm	6"
Distance from Table to Ram	...	375 mm	14 7/8"
Table Travel : Horizontal	...	500 mm	19 11/16"
Vertical	...	275 mm	10 13/16"
Motor power	...	3 H.P.	

Shaping machine Sh460 with specifications .

As regards sales the position is very encouraging now. Delivery times now stand for some models at about 2 to 3 months. As to the out-turn we are not yet satisfied but hope to improve as a more steady supply of sound quality castings as well as new arrivals of special tools, gauges and arrival of other materials now create better requisite conditions for production. Our target for production during the year 1953-54 is 300 machines. Every effort is being made to achieve this target. But due to the specialized and precise nature of the work the local workers find it very difficult to adhere to the planned programme continuously.

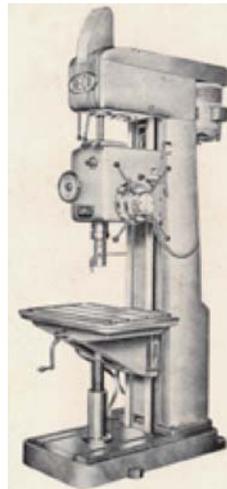
The picture below gives a general view inside a section of the Machine Tool Shop as it existed by the end of year 1952.



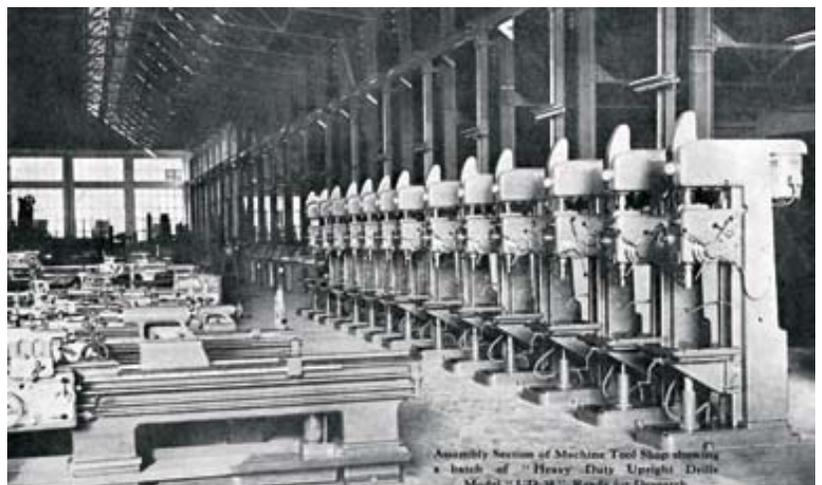
A general view inside a section of the Machine Tool Shop as it existed by the end of year 1952.



Heavy Duty Upright Drill Model UD 38.



High Speed Pillar Drill Model PD 16.



A view of another section of the Machine Tool Shop, with drilling machines lined up. Above pictures have been taken from the booklet, dated 2nd October, 1953.

(f) Diesel Engine Shop:

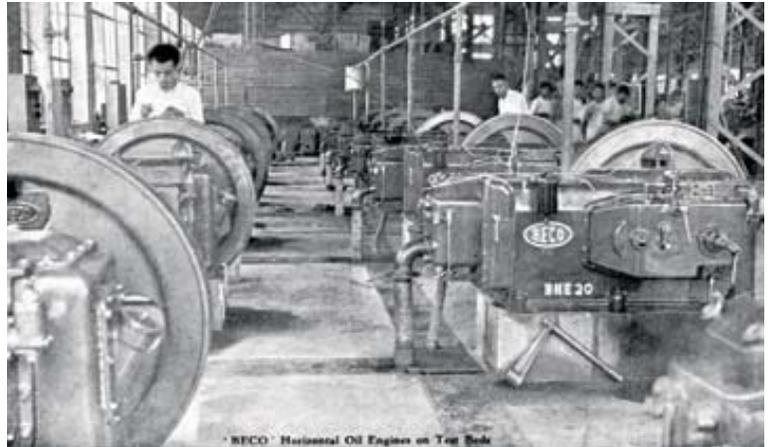
Modernising this shop and adopting it for the new Engine Model BHE-20 (picture below of the model in production) has made rapid progress: It is known that this factory shed, accommodating this new production line, was formerly a general engineering shop. All its previous machines had been shifted to a new shed behind our steel works and are continuing there with the production of agricultural machinery and general maintenance works. Practically all new machines have been set up in this Diesel Engine Shop and quite a number of Beco lathes have been installed. Two horizontal boring machines and two planers, one circular grinding machine and a powerful vertical turning mill have also been installed in this shop. Two new Beco shaping machines and 2 modern milling machines have also been added to the machinery outfit. Arrival of an open-side short stroke planer and another precision horizontal boring mill together with automatic tracer controlled profile milling machine for precision manufacture of camshafts are expected shortly.

Although production has started and there is now regular out-turn, still this department is not yet complete. Material and standard articles have not yet been completely received. A number of special tools and gauges are not yet available either. Fixtures and Jigs have also to be made nor is additional engine testing equipment yet at hand. We hope that all the difficulties will be overcome by the end of this year. With the beginning of the new year this shop will prove to be an effective and prospering production unit.



Horizontal Oil Engine Model BHE 20.

Our target is to produce 100 engines in this shop during the current year, i.e., financial year 1953-54. We are confident that we will be able to overstep this target. The next year's target is to produce 600 engines. Orders for 60 engines are at present in hand. The designing work for 10, 15 and 25 H.P. engines of similar type as BHE-20, is also in hand.



A section of the pump shop, where the horizontal oil engines are tested before supply. This picture is also from the booklet, dated 2nd Oct, 1953.

(g) Structural Shop:

This shop has made great strides during the year under review. The machinery now consists of a modern plate bending machine, modern guillotine shear, modern universal shear, 5 nos. drilling machines, one universal punching machine, together with a well-equipped electric and gas welding section. An over-head 5-ton crane serves the main bay and the new direct Railway siding running direct into the main bay has now been completed. A new automatic arc welding machine for welding steel pipes, tanks, etc. is being assembled and will start working shortly.



Partial View of the Structural Workshop in 1953.

Last year this shop was mainly manufacturing steel storage tanks from 1,500 to 15,000 gallons storage capacity. This year the activities have been shifted to the production of high tension 132 KV transmission towers for the Punjab P.W.D. Electricity Branch, to be used for the high tension line for connecting the Malakand supply to Punjab grid. The production of steel welded pipes to be used for boreholes and centrifugal pumps for irrigation purposes has been started on mass scale. Orders for complete factory sheds and roof construction for a chemical factory, which is being erected in Punjab, are in hand. We believe that with the outfit at hand this structural shop can be considered as the best equipped

BECO's first joint-venture with a multinational

Shop in Pakistan. We are sure that we will carry out orders for River Head Works equipment. We are negotiating orders for the supply of such equipment required for the Taunsa Irrigation Barrage.

(h) General Engineering Shop:

It has been previously mentioned that this shop had to be removed to a new factory shed in order to create space for the Diesel Engine Shop. Some of the machines installed in this shop are those which we inherited from the previous owner. The same are being replaced gradually. Plans are also under consideration to install some more heavy machines in this shop which are urgently needed for heavy maintenance work for rolling mills, steel works and foundry. A great asset in this respect is the procurement of a new powerful special heavy roll turning lathe. The same was recently procured and is now in working condition. This shop also manufactures agricultural implements such as sugarcane crushers and chaff-cutters.

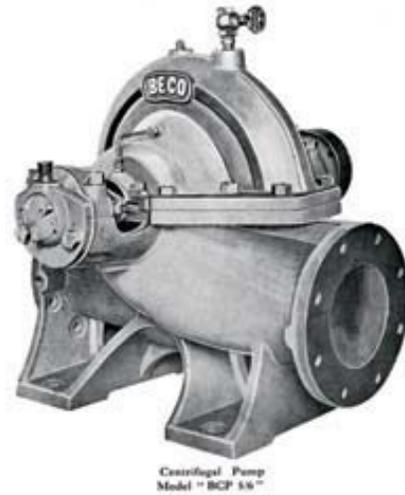
The BECO-KSB Pump Manufacturing Co. Ltd.

I announce with pleasure that a new company by the name of the BECO-KSB Pump Manufacturing Co. Ltd. has been incorporated with a paid-up capital of Rs. 10,00,000. Fifty-one per cent has been subscribed by the Batala Engineering Co. (Pakistan) Ltd., and forty-nine per cent by Messrs. KSB (Klein, Schanzlin & Becker A. G., Frankenthal/Pfalz-West Germany).

Negotiations had started in December, 1952 for some sort of tie-up with this German concern for complete manufacture of deep well turbine pumps in Pakistan and the result is the formation of this new company. The factory on behalf of this company is under erection on a portion of BECO land, which has been rented to this new combine on a twenty-year lease. All the machinery, patterns, jigs, fixtures and other equipment have been ordered and are expected in Pakistan by the end of this year. The regular production of deep well turbine pumps is expected to be started early next year.

Pakistan has experienced drought for the last several years which affected our agricultural economy leaving us from a surplus to a deficit country. The failure of monsoon coupled with curtailment in canal water supply last year, particularly aggravated the situation. The country was left with no other alternative but importing food. This has focused public and Government attention on the necessity of taking measures to safeguard against the recurrence of food

shortage in the country. One way is to supplement our existing irrigation facilities by sinking tube wells (boreholes) on a large scale. Our new combine is determined to play its full role in giving people low cost facilities for installing tube wells. So far the deep well turbine pumps have not been manufactured in Pakistan. This new concern will undertake the manufacture of these pumps on a large scale. It has been planned to manufacture 50 deep well turbine and 50 centrifugal pumps a month which will be further increased according to demand.



What Beco's pumps used to look like before collaboration with KSB.

According to our agreement with Messrs. KSB, reputed to be the largest concern of its kind in whole of Europe, they will deliver designs of the pumps to be manufactured and provide know-how by sending over to us technical and other staff to assist the Company.

There are lacs of open wells in our country which are presently used for irrigation purposes by obsolete persian wheels driven by pairs of bullocks. Many progressive zamindars have installed small centrifugal pumps driven by engine on these open wells. They certify that this has increased four-fold the output of water and has also lowered the cost by half as compared with bullock-driven persian wheels. This will result also in bringing under plough areas previously meant for growing fodder for purposes of cash crops. Messrs. KSB are seriously considering in their Design Department for suitable pumping sets driven by engines for the installation on these open wells.

Steady & Adequate Water Supply for Crops

We also intend to go into some sort of tie-up with a foreign engine manufacturer for mass production in Pakistan of small size high speed vertical diesel engines, which in my opinion should be required in thousands for the operation of these small size pumps on the open wells.

I hope that the Central and Provincial Governments will not become complacent and will continue to give their best attention to the all important problem of ensuring steady and adequate water supply necessary for our crops. We cannot afford to depend upon the freak of monsoon and on canal water supply which for the time being is outside our own control. The alternative of augmenting our existing water supplies by installation of tubewells must be constantly kept in mind in order to avoid the frightful prospect of food shortage in the country. The Government

Installation of Metal Factory for Building Wagons and Other Metal Articles in Karachi:

I am sorry to report that no further progress has been made with regard to the acquisition of a plot of land measuring about 125 acres near Malir required by us for the location of a metal factory in Karachi. This particular plot is still lying vacant and had many advantages with reference to the location of the factory. Apart from sweet water being available there it is situated a few hundred feet from the Malir Cantt. Halt Railway Station. From the point of view of providing work for the labour this site is ideally-situated for the factory as a number of housing colonies have been built in the vicinity of the plot. It was at the suggestion of the Industries Ministry themselves that we applied for its acquisition. We have been requesting the various ministries of the Pakistan Government for helping us in this matter.



One of the first pictures of Beco's Designing Department, This is from the booklet of the year 1953.

should be ever ready to lend the fullest cooperation and support to private efforts seeking to build up unflinching water supply through tubewell projects. A food surplus in Pakistan, which has been the hallmark of this country before and immediately after Partition, is the biggest guarantee for high morale of its people and incidental conservation of foreign exchange which could be fruitfully utilised for development purposes in other directions.

They have tried to help us. But we have so far failed to ensure fruitful cooperation from the Works Ministry. At one time the Works Ministry offered us a plot on the Jinnah Avenue Road, next to the Security Printing Press to which we gladly agreed. But the same could not be made available to us for reasons not so far known. Now we have been offered a plot on Landi Site which has many drawbacks with special reference to the water supply and communications.

Beco Measures for Workers' Welfare

For this 100 acres plot of land without any kind of improvements the Karachi Improvement Trust demands more than a lac of rupees as annual rent. The water supply at normal rates is not ensured. It is suggested that the rate for supply for 1,000 gallons will be Rs. 1-8-0 although the Improvement Trust pays Re. 1 per 1,000 gallon to the Joint Water Board. The land for the Security Printing Press situated opposite to the Malir Cantt. Halt had been acquired by Government at the cost of Rs. 1,500 per acre. Comparing this price with an annual rent of more than Rs. 750 per acre one could judge how difficult it is for us to accept the Landi Site offer. We have asked the Industries Ministry to let us know if the Landi Site can be acquired for us at our quoted cost. But no reply has yet been received.

We have also applied for the acquisition of 16 acres of land adjoining our present BECO Works at Badami Bagh, which is urgently needed for expansion. We hope that we shall be able to get through the deal in the near future.

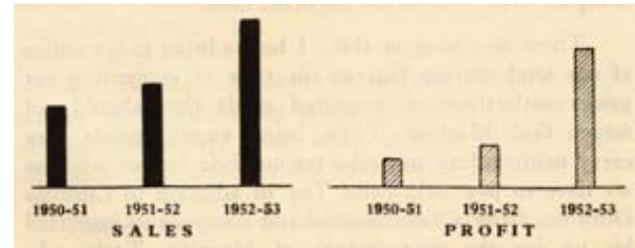
Price of Beco Machine Tools

There is an impression in Pakistan that the sale price of machine tools manufactured and sold by us is higher than those of the imported ones. There is a snag in this. I beg to bring to the notice of our kind patrons that at the time of comparing our prices with those of the imported goods they should not forget that machine tools being capital goods carry neither duty nor sales tax on their import whereas we have to pay 10% Sales Tax in addition to the Customs Duty on many a raw material and component imported by us for the manufacture of machine tools. In some cases it is as high as 40%, which naturally leads to an increase in our cost of production. To give an example, if the price of indigenously manufactured cloth is compared with the imported cloth, 60% duty and 10% Sales Tax is added to the C.I.F. cost of the imported cloth and it is this price of the imported cloth which one compares with the price of the indigenous cloth.

I may further add for the information of our patrons that while comparing the prices of our machine tools they should not forget that our products are comparable to the renowned overseas makers. While comparing prices they should not place us alongside third class and cheap foreign makes. One should compare a horse with a horse and not with a donkey. The machine tools manufactured by us are of the latest and upto date modern designs with the materials used of best and highest quality. Their workmanship and accuracy is certified by the Inspection Department as they have stood the test of actual performance under hard working conditions.

As per trading and manufacturing account for the year ending 31st March, 1953, the total sales amount to Rs. 84,92,570. which is about 65% more as compared with the previous year.

As you have already read in the Directors' Report as per profit and loss account the net profit subject to Income Tax is Rs. 10,64,112. This is a very commendable figure as compared with the net profit of Rs. 3,12,985.



Steps for Workers' Welfare

I am sure you will all agree with me that the working of the Company during the year has been very encouraging as proved by results. This is due to the continuous hard work of the management, the technical and other staff and workers of the Company. I heartily congratulate all of them for good performance. I am sure that during the present year they will continue to work even more vigorously and zealously to achieve the planned production target of Rupees two crores. This year the directors were pleased to pay a bonus of one and a half month's salary to the employees.

The Company is keenly alive to the importance of providing amenities to workers as a means towards improving their efficiency. With this end in view the Company has decided to acquire land to build residential accommodation for the workers. The Company is building for the use of the employees a well-equipped dispensary and a new canteen. The Company has also decided to reserve a special grassy plot exclusively for the use of workers during the recess interval. The BECO employs highly trained European staff. One of the terms of service offered to them being free residential accommodation. So far we managed this by resorting to securing allotments of evacuee property. But in view of our rapidly expanding activities, necessitating employment of more and more staff from home and abroad, we are now thinking of building a BECO Colony at a suitable site. The Company is negotiating a deal with the Lahore Improvement Trust and even some private owners for acquiring land for this purpose.

Beco Stands for Superb Workmanship

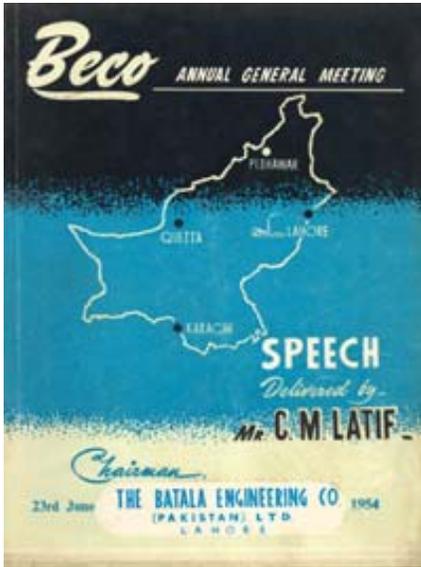
I am sure you will all be very happy today to read that the directors have recommended payment of dividend at the rate of 10% (subject to Income Tax) on the paid-up capital. The financial position of the Company has become very sound which is borne out by the following two features -

- (A) Reserve for Depreciation upto 31st March, 1953 now totals Rs. 10,66,275.
- (B) General Reserve Fund, though as shown in the Balance Sheet as Rs. 10,51,472, is practically the same as shown in the last Balance Sheet. But the directors intend to transfer at least Rs. 4,50,000 from the undisposed off profits of the previous two years which stand at a figure of Rs. 2,57,072 and partly from the profits of the year under report.

A perusal of the Balance Sheet gives convincing proof of the rock-like strength of the Company. Its entire issued capital of Rs. 25,00,000 has been fully subscribed and practically fully paid up. There has been a growing demand from the public to invest their money in buying shares of the Company. But as the capital was fully subscribed there were none to go round. This has led to an appreciation of the BECO shares and many people have vied with one another to buy them at premium rates. Our development projects are completing or nearing completion and our determination, with the Grace of God, to become the main suppliers in the country in goods in which we specialise has built for us a good reputation. I am confident that BECO shares will become enviable asset for the present and prospective investors. BECO's name, with God's Grace, already stands for superb workmanship, dependable management and sound business.



Mr. Latif, with hat in centre, showing visitors new sheds under construction.



The cover page of year 1954.

Our best source of information about how Beco progresses with time is through its annual presentation of accounts to the share-holders, as they are audited and circulated and open to inspection.

With these documents the speech/report by Chairman of the Company easily summarizes what went on during the year under consideration. That is why such documents pertaining to the years from 1947 to 1953 were completely reproduced along with some pertinent pictures.

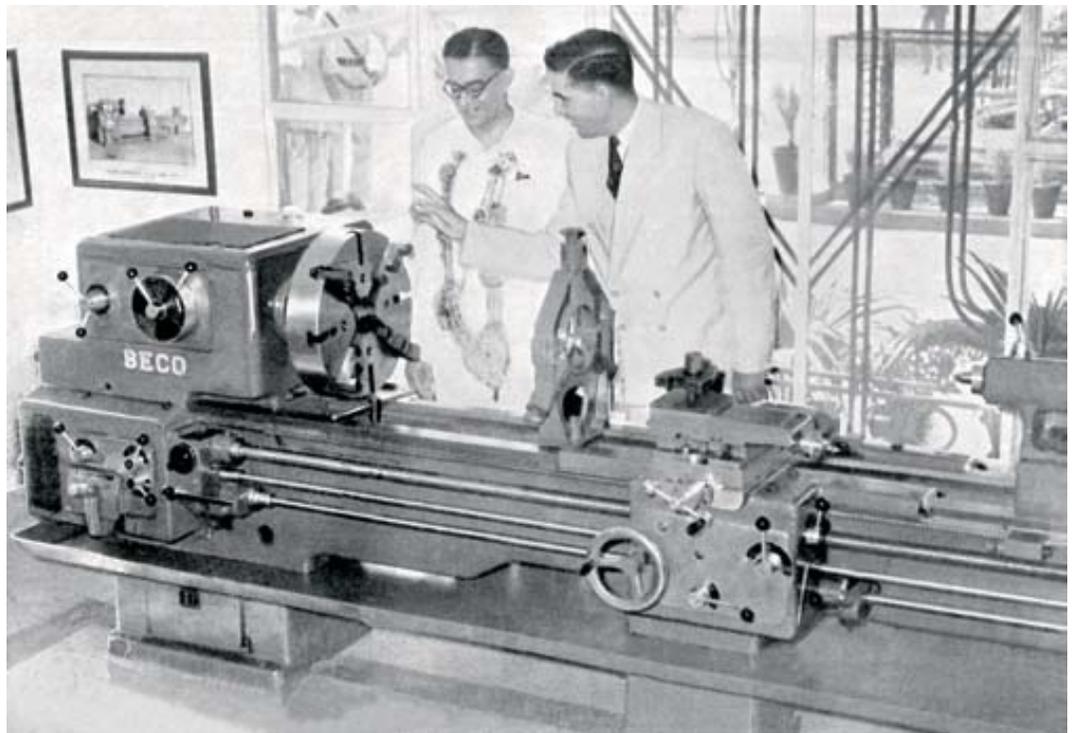
Beco on the Road to Development & Expansion

Now, as we proceed with the history, only more relevant information highlighting the expansion of the factory will be given along with pictures.

Beco used to be visited by many dignitaries. The picture below is reproduced from this booklet of 1954 and shows Punjab Chief Minister, Malik Mohammad Feroz Khan Noon, visiting the Company on 17th June. Mr. Latif is on the right.



Beco's Physical Laboratory.



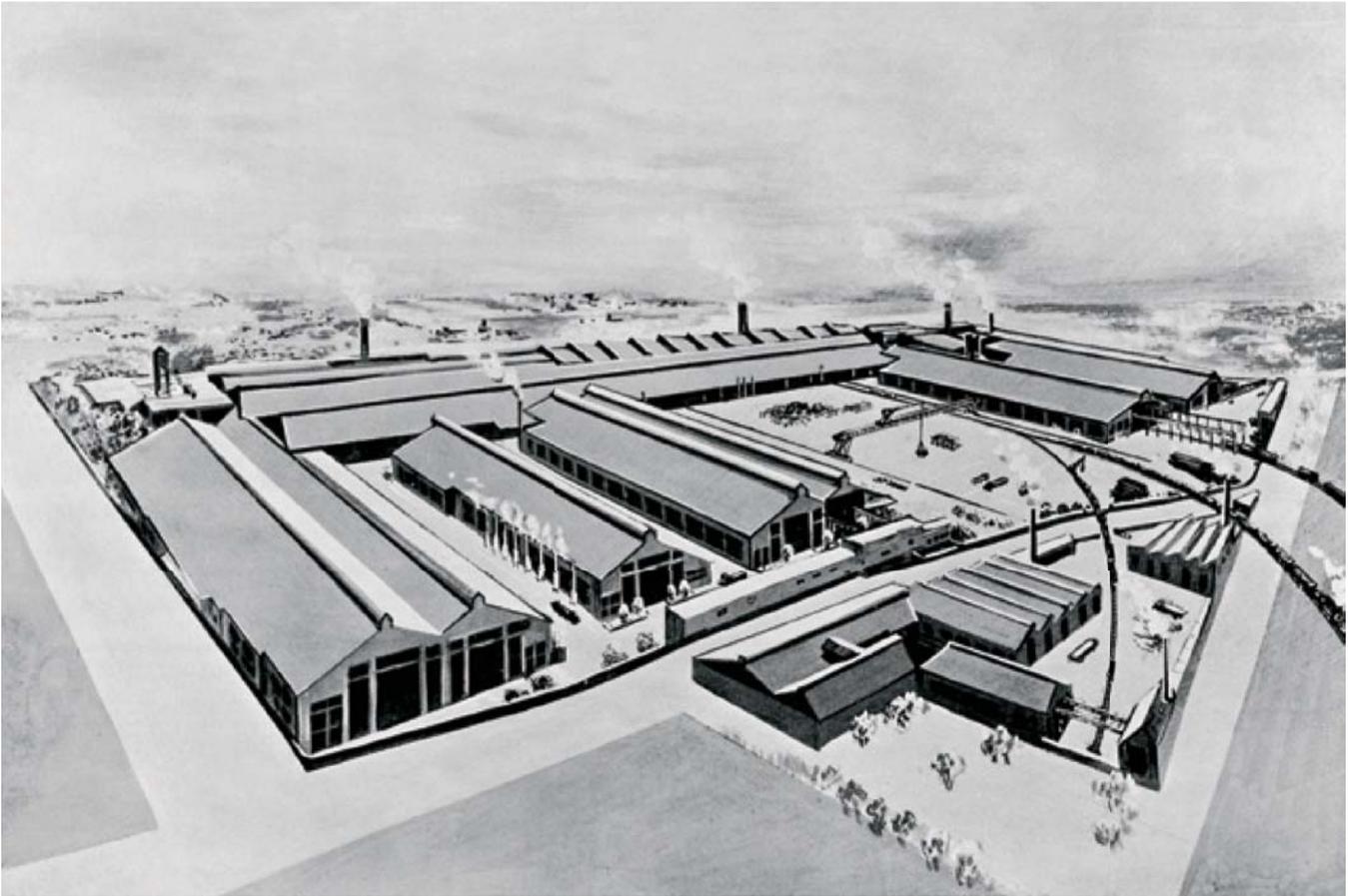
The audited balance sheet and profit and loss account for the year under review, ending March 31, 1954, conclusively proved that the finances of the Company were in a sound position. The net profit of the Company during the year under review amounted to Rs 2,316,721 as compared with Rs 1,064,112 last year.

Year	Sales	
	Rs.	A. P.
1950—51	41,46,022	6 9
1951—52	52,17,557	0 0
1952—53	84,92,570	0 0
1953—54	1,38,57,641	3 9
1954—55	2,00,00,000	0 0

(Estimated at rupees two crores)

The Table above shows how fast the Company was growing.

*Aerial View of the Huge Beco Works
At Badami Bagh, Lahore.*



After the graphic picture of Batala Works/Office, pertaining to early 1940's, this is the first graphic picture of the works at Badami Bagh, in Lahore, Pakistan. It has been recovered, as it looked in early 1950's and reproduced in the 1954 accounts presentation.

Determination for Accelerated Production

Mr. Latif highlights the reasons for the phenomenal rise in production in 1953-54 and the estimated production in the current year calls for an explanation. The way to stepping-up production was, in fact, blazoned by the Finance Minister of Pakistan in his Budget Speech in 1953. Like a sound economist he, more than anybody else, does realize the perils of a country's economy dependent on income drawn from import duty. He stands for building up the country's finances on mounting industrial production, which also opens new vistas for employment. This implies a change-over from the stage of consumerism to that of industrial production.

Mr. Latif continues: "your Company decided to throw itself heart and soul into the all-too important task of stepping-up production by gearing its entire productive effort at top speed. The personal appeal made by the

Hon'ble Finance Minister to your Chairman, on a subsequent occasion, further steeled our determination to go ahead with our programme of increased production.

It is known to you that ours is an industry (known all the world over as a basic key industry of a specialised nature) which in Pakistani is dependent entirely upon the import of raw materials. We approached the Government in early 1953 with an offer that, for every Rupee representing imported raw material made available to us we would manufacture goods worth three Rupees, thus doing away with the necessity of importing corresponding quota of manufactured goods which are indispensable for our national economy. I must acknowledge here that the Government, like a prudent business man, took advantage of this offer and put us on a great test by granting us import licenses commensurate with our requirements.

Beco's Gigantic Development Programme



Mr. Latif, 4th from left, during an evening dinner with visiting dignitaries.

I am glad to report to you that we have made good our word given to the Government last year and produced goods worth Rs. 1,38,57,641, which used to be imported. We are now straining every nerve to redeem our pledge to produce goods worth, two crores rupees during the current year. The Government, for their own part, have issued us licenses according to our requirements. We are making good progress with our production plans and I have every reason to feel confident that before the end of the year we will have achieved our production target.



*Mr. Latif 2nd from left with Visiting dignitaries at Beco Works.
Mr. Sharif on the extreme right.*

As is well-known to you, BECO Workshops occupy the most prominent and central place in the Badami Bagh industrial area. While the Lahore Improvement Trust has yet to make a good deal of effort to give this area some semblance of a developed industrial colony, we are, as a part of our gigantic programme of construction and development, trying to give a pleasing look (structural and aesthetic) to the Factory and its surroundings. We are on our way to closing the thoroughfare in between our main Workshop and the annexe represented by the BECO-KSB Shop and Rolling Mills. We are opening a new 50-foot wide road adjoining the BECO-KSB Shop. This will not only remove the irritating public traffic right through our Workshops, but will also greatly help the local population for whom it will be safer to go by the straight path.

The progress which took place from the proceeding year is being summarized on the next pages, as presented by Mr. Latif during the annual general meeting of the share-holders in the year 1954.

As shown in the 1953 year's speech, Beco was running 8 departments and the 9th, Beco-KSB, was under erection. This year it went into production. Beco thus marched on with 9 main departments.

A Beco Rolling Mill in 1954

Steel Works: The P.W.D. (Electricity Branch) at long last energised their new grid sub-station, enabling us to put into operation our second electric furnace. But we are still suffering from a serious handicap. That is in the form of electric energy being partially available only at night time. This has thrown out of gear our production plans. Consequently we have not been able to enhance ingot production from 600 tons per month to 1,500 tons as intended. We have added a new 15- ton crane to handle increased tonnage transport in the steel works due to the operation of our second steel furnace.

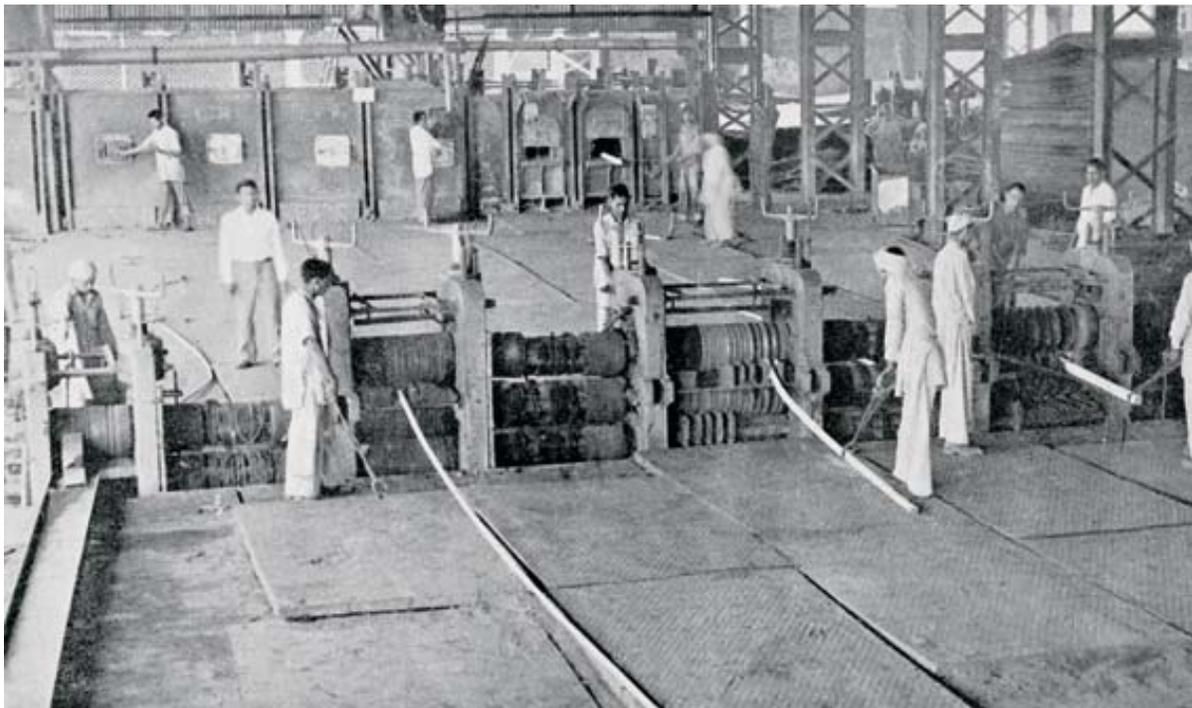
Steel Foundry: This department is at present functioning mainly to meet our internal requirements, such as steel castings required for our engineering departments and castings of rolls for our rolling mills. The only additional work for outside consumption done by this department is the production of wearing parts required by cement factories, sugar factories and chemical works. The mass production of railway castings done in former years has not been revived solely because the Railways, for reasons best known to them, have withdrawn their patronage from us and extended it to other sources including non-Pakistanis.

Steel Rolling Mills: The rolling of sections, namely, angles

from 1" x 1" upto 3" x 3", has been successfully started on a large scale during the period under review. We can say with legitimate pride that this is the first successful attempt ever made in this direction in Pakistan. We are also manufacturing thousands of tons of reinforcing bars. There is still scope for increased production in the steel rolling mills provided that the raw material is made available to us by the Central authorities according to our installed capacity.

I am very pleased to announce that the Company has succeeded in procuring two second hand mills of modern design, together with a huge quantity of rolls and spares. This equipment is on its way to Pakistan and we hope to be able to go into production with the new machinery in about three or four months' time. These two mills, which will replace our existing mills, Nos. 3, 4 and 5, are equipped with very powerful high tension motors with their capacity far exceeding those of the present mills.

As we have been successful in rolling a fairly good quantity of angles, as mentioned previously, we have decided to purchase a roller type straightening machine. Straightening by hand, as done presently, not only causes high labour costs but also proves inaccurate and spoils the appearance of the angles.



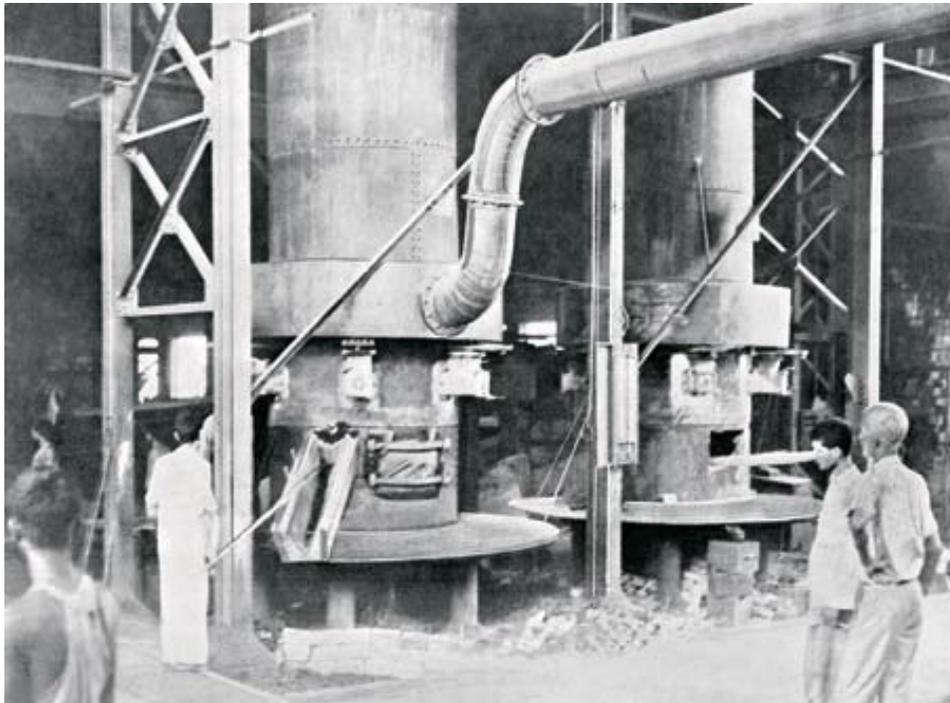
*One of the rolling mills at Beco, during the year 1954.
It is noticeable that these mills are more modern than the one at page 41.*

Iron and Non-Ferrous Foundry: Two new 1-1/2 ton cupolas have been completed and are now operating successfully. This is the only tangible addition made during the period under review. It may appear that we have not paid proper attention to this department. This is not so. Being conscious that this department is the weakest link in the chain of our activities, we have decided to reinforce it with modern equipment. We have, accordingly, placed orders for two very powerful rotary air compressors, with a higher capacity than our immediate requirements.

Sand preparation is a pre-requisite for proper functioning of a foundry, more so, if the available natural sands are not of the required quality. In this respect, our foundry is very poorly equipped, indeed. In order, therefore, to keep abreast with modern foundries we have now placed orders for a huge sand-preparation machine for moulding sand. A fairly large Muller Mixer for the preparation of core

sand, facing sand and other specialities has likewise been ordered. Furthermore, an order has been placed for a drum-type magnetic separator for freeing the used sand from iron particles. A rubber belt conveyor for handling sand is another addition.

In future small and medium sized castings will be sand-blasted. A fairly large sand-blasting cabinet for this purpose has been ordered. The complaints from the engineering departments about unclean castings, which destroy tools and spoil the machines, will come to an end when this plant starts working. Hand cleaning is costly and can never be perfect. With all this equipment at our disposal, we will be nearer to what is understood to be a modern foundry. We are at present engaged in consultations with foreign experts to erect a new medium-sized, semi-mechanised foundry for handling light and medium-sized castings.



It shows the difference from the earlier foundry picture on page 57.

Machine Tool Shop : The new lathes, Models CL 250 (*picture on page 58*) and CL 305 (*picture not available*), are now under regular production and evoke admiration for their efficient performance and appearance from everyone who happens to handle them. Orders have been booked for this type in satisfactory numbers and some have already been supplied.

The small CL 200 is nearing completion on the drawing board and will make its debut in the market by the end of this year. The first batch of the new precision bench lathe, Model BE 115, is under production and we have also supplied a few against orders. *It speaks volumes for the confidence placed in us by our patrons to realise that quite a number of orders for the CL Model, as well as for the BE 115, were received even before their prototypes were produced.*

The Beco Machine Tool Factory



Precision Bench LATHE represents an up-to-date machine for fine work. Model BE-115.

(Left) A full view of year 1954 Machine Tool Department.

All the machines ordered and imported from abroad last year are now operating successfully. With the precision boring mill, we can apply the modern method of coordinate boring, which saves a lot of tooling and jig equipment. The new open-side planer closes the gap between our large planers and shapers. A small capstan and a heavy turret lathe both are very modern new machines and have also been added to the mechanical outfit of this department. Orders

have been placed for a new radial drilling machine, a universal transportable drill, a precision spline shaft grinding machine and a new carbide tool grinder.

Flow of orders is steady and the delivery margin now stands at about 2 to 3 months for most of the machine tool types. The output of the department has been steady during the last six months.

Diesel Engine Shop: So far only the 20 HP Model, BHE-20 is under production in the Engine Shop. We have overcome all the teething troubles and have now started planned production. The arrival of stamp forgings from abroad has greatly helped in improving the situation. Another difficulty which related to the production of sound castings for cylinder heads (involving specialised process of casting) has now been completely overcome after a good deal of research work and experimentation. So, at last, we are fully geared to undertake the production of diesel engines according to our programme. The open-side planer and the precision boring mill have been put into operation.



In this shop also a small capstan lathe and a heavy turret lathe have been installed and are now under operation. A very valuable asset is the installation of a tracer-controlled copying milling machine for production of camshafts. So far the making of cams was a tiresome and an inaccurate affair. With this new machine production of camshafts is no longer a problem.

Beco's Great Expansion Programme

As regards our expansion programme, suffice it to say that a 25 H.P. prototype is under manufacture now. As designs for 10 and 15 H.P. engines are practically completed, their prototype will follow in due course.

For testing purposes, we have installed two modern dynamo- meters. With this modern testing equipment we can check up each finished engine with reference to the minutest details of its performance, such as output, speed, fuel consumption at various loads, cooling water temperature on inlet and outlet, exhaust temperature, compression, etc. The equipment is very easy to handle and constitutes a very valuable asset to this shop.

Structural Shop: Although this shop was engaged in the manufacture of structural parts required for our new BECO-KSB Factory, we were able to manufacture a huge oil storage tank of about 45feet diameter and 28feet height. This was the first of its type and dimensions to have been manufactured in Pakistan. The production of welded pipes for bore-holes has been taken in hand. Because of our modern equipment for shearing and bending, we can successfully compete with any foreign makers with prospects of securing a reasonable number of orders for such pipes, ranging from 6" to 1.5" diameter.

We have also received a modern automatic arc-welding machine for automatic welding of pipes and tanks. The machine has not started functioning because the

required welding composition, which has been ordered from America, has not yet been received. It is expected any moment.

There is no demand at present from the P. W. D. (Electricity Branch) for large transmission towers. We have done some research work in

*The BECO Transmission tower.
A product of the BECO
STRUCTURAL SHOP.*



Beco Oil Storage Tanks.

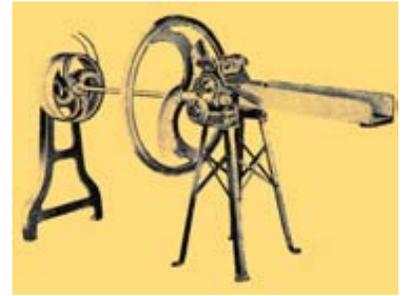
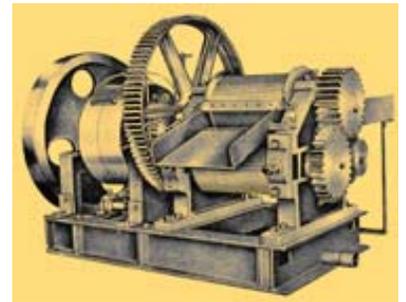
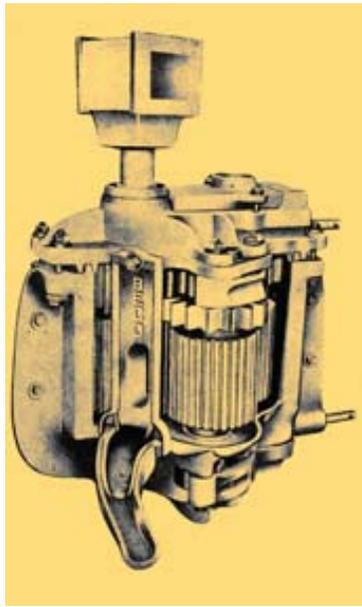
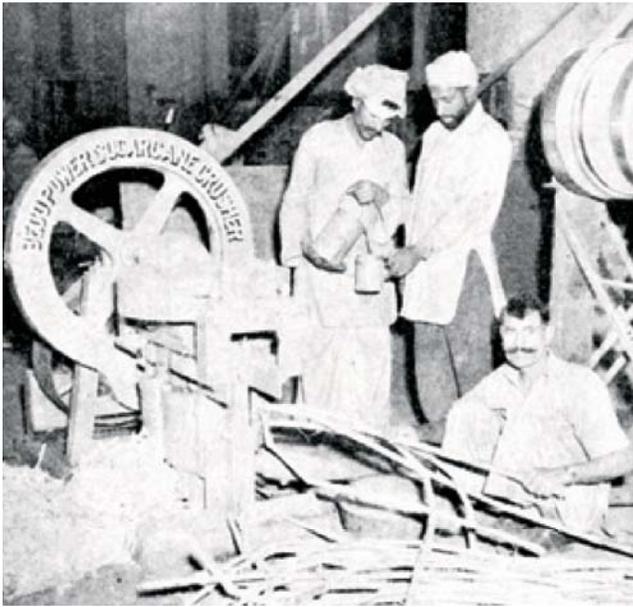
connection with small-sized transmission masts for 11 KV. Several designs were prepared, manufactured and tested in the presence of the P.W.D. (Electricity Branch) authorities and found to be perfectly reliable. So far poles of seamless drawn and stepped pipe are used in their construction. These have to be imported.

We have already proved and have been certified by the department concerned that a mast, fabricated from welded sections, is not only better suited for this purpose but also economical. We produce steel from local scrap, roll the sections in our mill and manufacture the masts from this material. Switching over from tubular poles to fabricated masts will, therefore, amount to a 100 per cent saving of foreign exchange. Such poles or masts are required in thousands.

Engineering Shop: This shop continued its usual activities and produced thousands of cane-crushers and chaff-cutters during the last season. As usual, with the crop season coming to an end, production of these items has also been affected.



*Picture of a part of this shop.
More pictures of the products on next page.*



A Beco power sugarcane crusher in use. The machines & Chaff Cutter.

Tubewell Section: The manufacture of horizontal split casing centrifugal pumps, Models BCP 4/5, BCP 5/6 (picture on page-58) and BCP 6/8 has been stopped in view of the new BECO-KSB Pump Factory going into production. Instead, production of sluice valves has been taken in hand on a large scale.

We were successful in securing a suitable order for this new line of production. As you know, this department is manufacturing brass strainer pipes in addition to carrying out deep-well boring in outstations. With our new BECO-KSB Factory going into production of bore-hole pumps, it can be said that our combined effort is covering nearly all the technical equipment for deep-well irrigation. This includes sinking of wells, supply of bore-hole pumps with rising mains, the diesel engines for driving the pump and supply of

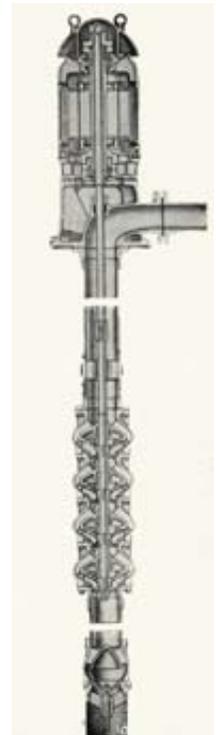
The sluice valves. In other words, ours is the most modern, uptodate and self-contained factory capable of doing the whole job from A to Z.

BECO-KSB: Last year in my report I announced the formation of the BECO-KSB with Messrs KSB (Klein Schanzlin, Becker Ag) Germany, for manufacturing modern centrifugal and deep-well turbine pumps (graphic picture below). Negotiations were done with their head, Mr.Klein Kubert, by Mr.Wagner of our Company. Dr. Seiller was their salesperson who became the chairman of the new company and a director in Beco. Mr.B.A.Khan was Mr. Seiller's Assistant, who continued to remain with Beco even after, when in 1959 they sold their 49 % holdings to Beco. He later became the head of Pump Division.



Mr. Khan with American Counsel (third from right standing next to him), standing in the vicinity of offices of Badami Bagh Works.

I am pleased to report you that the sprawling BECO-KSB Workshop has been completed and is now humming with activity. The entire machinery, which arrived from West Germany, has been installed under the supervision of German Engineers. Reinforced with our existing equipment, the BECO-KSB, with God's grace, is the only. deep-well turbine pump manufacturing concern of its kind in Pakistan.



Beco Plans for the Future

The sprawling BECO-KSB factory had been geared to undertake the manufacture of deep-well turbine and centrifugal pumps.



The formation of the BECO-KSB Company in August last year was followed by the quick arrival and installation of machinery, so that we have been enabled to go into production in less than a year. We hope to get into stride of target production by September next. I expect that before long we will have to invest another million Rupees to cope with the growing needs of the new BECO-KSB concern.

I may add here for your information that our tie-up with KSB is going to serve as a medium for further expansion of our commercial and industrial contacts in Europe. Soundings for a tie-up with other leading industrial concerns through the good offices of KSB have already been made.

FUTURE PLANS: This is all about the past and present. May I now unfold before you our plans for the future! We want to expand in all directions. Our first necessity in this behalf is to acquire land to extend our existing workshop premises at Badami Bagh. Our next anxiety is to acquire a suitable plot of land outside Lahore to house our proposed workshop for heavy engineering industry, such as wagon fabrication, etc. As for extension of our existing premises, which cover an area of 25 acres, I am happy to report that

considerable progress has been made in this direction. The Punjab Government (Directorate of Industry) have taken practical steps to acquire 16 acres of adjoining evacuee land. The deal is expected to be finalised in the near future.

As regards acquisition of land outside Lahore, I detailed before you last year in my speech our efforts to acquire land first at Malir and then at Landhi (near Karachi). A plot of 125 acres of land near Malir was ideally suited for our purpose. But our efforts to acquire it were not successful. We, as a last resort, managed to secure 80 acres of land at Landhi (Karachi) on an initial rental deposit of Rs. 1,21,025, without any prospect of getting water supply and electric energy in the near future. On top of it, the Karachi Improvement Trust authorities have now demanded another about Rs 8 lacs as advance rental to finance the development. *This heartless way of fiddling by the Karachi Improvement Trust with the fate of industry with regard to its basic requirements of land has forced us to consider alternative plans. After seven years of Pakistan's establishment the industry in Karachi with reference to acquiring land seems to be still in the thick of the jungle. I wish someone in a position to deliver the goods had read about what other countries have done for industrial expansion.*

Beco Measures for Mechanization of Wells

The management can only assure you at this stage that, as a part of our programme for diversification, no efforts will be spared to get the best possible site at competitive prices, with special reference to security and availability of labour and fuel, water and electric supply.

Amongst our top priorities is the need for going into a tie-up with a foreign firm to undertake manufacture of high-speed diesel engines to work small pumping sets. These pumps, for the manufacturing of which our new BECO-KSB Workshop is equipped, are required to work over two lac open wells in the Punjab to meet additional requirements of water supply. We have made the necessary survey and have come to the conclusion that mechanisation of open wells (now worked by Persian wheels driven by oxen) will open a new chapter of progress and prosperity in the agricultural history of



QUEEN LATHE is the pride of Pakistan. Famous all over the country for precision, performance and reliable service (BECO CL Serial).



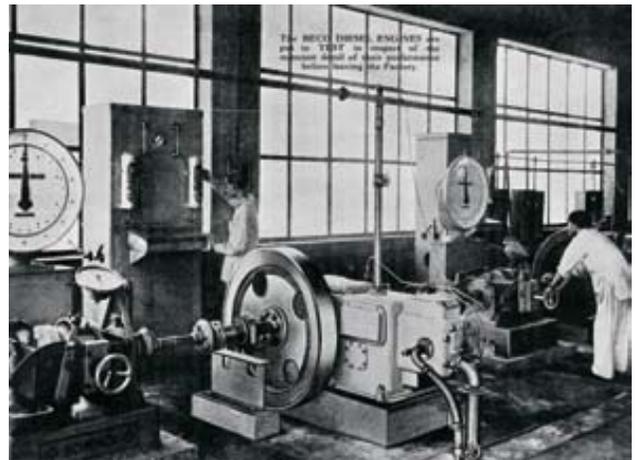
Beco's 1954 Chemical Lab.

Punjab. As I explained you last year, such a step will not only increase three-fold the output of water at a cost approximating that of running a Persian wheel, it will also lead to intensive cultivation of land resulting in the economy of agricultural land. Mechanisation of wells will release hundreds of thousands of acres of land now devoted to growing of fodder for growing cash crops. Anyone with a

nodding acquaintance with agriculture knows that with more water available rich fodder crops, like that of Lucerne and Bersem, could be raised from a comparatively small area to meet the fodder requirements of cattle.

There is another aspect of our economy. With the rapid growth of textile industry a large percentage of our cotton production is progressively required for home consumption, leaving a meagre margin for export. In order, therefore, to keep up our export target we must bring under plough more land for cotton growing. This is possible if mechanisation of wells goes apace,

leading to progressive elimination of oxen from our agricultural economy and thus doing away with the necessity of reserving proportionate land for fodder growing. The present Punjab Chief Minister, Malik Firoz Khan Noon, who is deeply interested in the future of agriculture, has



A different section of Engine Testing Station. (The first picture is on page-60).

already evinced a keen interest in our plans for mechanisation of wells. We hope that during this year we will have made considerable progress towards giving practical shape to our plans.

Flow of Skilled Labour for Beco Workshops

Apprentice School: The problem of maintaining a steady flow of skilled labour to man our workshops is another headache of the management. We experience great difficulty in recruiting skilled machine-minded workmen and other superior cadres. This is a serious bottleneck which hampers production and causes many other complications. We have now decided to establish an Apprentice School on the basis of "earn while you learn" to overcome this difficulty on the pattern of a vast majority of European concerns. The Company have taken practical steps to recruit a German Instructor and buy the entire outfit from abroad. The construction of the building has been started. Admission to the School will be confined to enthusiastic young men with a minimum educational qualification. Those admitted to the rolls will be entitled to a small stipend. Two years of training will trim the trainees to provide various cadres required for our workshops.

Taunsa Project: In my last year's report I referred to our anxiety to fit our productive effort, as far as possible, into the structural requirements of the proposed Taunsa Project, which is to be jointly financed by America and our Government. Since then, we have been making strenuous efforts to convince the parties concerned that it was neither in keeping with the spirit of foreign aid programme nor in the best interests of the nation to get everything ready made from America required for completion of the Taunsa Project. I am glad to report that we were at last able to create an impression with the Minister of Industries, Pakistan Government, and the Secretary of the Industries Department about the reasonableness of our standpoint. It has now been agreed that tenders will be invited from Pakistani firms also for quoting in connection with the fabrication of sluice gates and operating superstructures. If this decision is implemented forthwith, then our structural shop will be in a position to undertake the fabrication of these goods with practical assistance from outside, if necessary. We have, in fact, already arrived at an agreement on principle in this behalf with a foreign firm of standing.

Foreign Tour: As a part of our plan to keep abreast with the latest development in production and in order to recruit technicians for our works, I paid a visit this year to various European countries. I made a special trip to the factory of our partners, KSB, in West Germany. Our London Office has considerably expanded its activities and my presence was essential to settle on the spot some important problems. I am glad to tell you that the decisions taken on the spot were very useful for successful functioning of our European Division.

Our London representative, in a recent letter, has given the happy news that he has been able to secure a central place in London, with commodious accommodation, which will serve as the headquarters for our European Division. Our new London Office is in the neighbourhood of Westminster Abbey and is situated at 17, Victoria Street, London, S.W.1.



Mr. Latif during his European tour.

During my tour of foreign countries I visited, besides engineering and commercial concerns, a large number of machine manufacturing centres to study the problem of manufacturing of looms. After acquainting myself thoroughly with all the stages of manufacturing textile machinery generally and cotton textile looms particularly, I was convinced that BECO could undertake manufacture of spare parts of textile machinery and complete looms. I had full-dress discussions with German loom makers whom I have invited to visit Pakistan. The manufacture of looms required by our growing textile industry will result in the saving of a formidable amount of foreign exchange.

Labour-Management Brotherhood: The welfare of labour is the bedrock of industrial progress of a country. Labour plays the same vital role in production as does the capital. To use a commonplace cliché, the labourer and the capitalist are the two eyes of mother industry. The BECO management believes in doing what is right by labour. Cries of rights of labour and capital tend to create hostility and bitterness. But if labour and capital sincerely give up talk of their respective rights and stand for what is right, the result would be the growth of brotherhood and mutual cooperation to the advantage of all. Guided by this principle we have, by practical steps, shown to the workers that we regard them as coworkers and an inalienable part of the whole organization.

Welfare Measures for Beco Workers

In giving bonus to the workers we took the claims of those into consideration who, according to legal hair-splitting, might not have been entitled to receive it at the rate at which they did. Many of the retrenched employees also were given their share of the bonus. This required hunting up for their residences through crowded parts of the city. This has opened a new chapter of brotherhood and cooperation between the management and the workers. We are determined to continue to do what is right by the workers.

Workers Welfare Vital

A grassy plot has been planned and completed adjoining the workshops for use by the workers at the lunch interval. A new spacious canteen, where wholesome meals at cheap rates will be available, is nearing completion. Free medical aid is available at the dispensary. We are acquiring 25 acres of land at a suitable site for building residential quarters for the workers. We have already opened adult literacy centres. A Labour Welfare Officer is being appointed to suggest practical steps in consultation with the workers to promote their welfare.

The management donated a sum of Rs.10,000 towards the Janki Devi Jamiat Singh Maternity Hospital, where arrangements are being made to secure reservation of beds for our worker's families in times of emergency. We intend to set apart a reserve fund for charitable purposes to help in various other humanitarian causes with special reference to the welfare of the BECO workers.

A perusal of the Profit and Loss Account is enough to indicate the rock-like stability of the Company's financial affairs. The net profit of the Company during the year under review was Rs.23,16,721 as compared with Rs.10,64,112 last year. In view of the fact that we have successfully overcome all our teething troubles and have eliminated almost all of the bottlenecks in production, we can legitimately hope for an overall reduction in the cost of production with a proportionate enhancement in profits, of course, without harming the interests of our patrons in any way. The success attained by the Company in stepping-up production and the consequent prosperity for all concerned is due mainly to the hard work of the management, the technical staff and the workers of the Company. I wholeheartedly congratulate all of them for their splendid performance and hope that they will continue to put in their best to enable the Company to go from strength to strength. The directors have also recommended a payment of dividend

at the rate of 15 per cent (subject to Income Tax) on the paid-up capital in respect of A and B class shares, while 6 per cent on accumulative preference shares. The reserve for depreciation up to 31st March, 1954, totals Rs.15,53,567. The General Reserve Fund is Rs.25,00,000 while Capital Redemption Reserve is Rs.1,20,000.

Finally, I have an important announcement to make. The Government have accorded us their sanction to issue a further capital of Rs.50 lacs. The Company's present Issued Capital of Rs.25 lacs has been fully paid-up. In view of the growing demand from the public to invest their money in buying BECO shares and in view of our own urgent requirements of expansion, the directors have already decided to make a fresh issue of capital at a very early date and to make an offer to the share-holders under the provisions of Section 105-C of the Companies' Act and by the fresh issue at par on the proportionate basis shares held already by them. I am confident that the share-holders of the BECO will avail themselves of this rare opportunity by taking full advantage of the proposed issue of capital. The share-holders will realise that intrinsic value of the BECO shares is much greater than their face value.

I am glad to tell you that we have been listed with the Karachi Stock Exchange. It is indeed a great tribute to the business reputation established by the Company during the last so many years that on their appearance in the Stock and Share Market the BECO shares were immediately sought for by the buyers and were quoted at a premium of Rs.15 per A Class Share of Rs.50. I am confident that in view of the unmistakably bright future before us the BECO shares will continue to rise steadily in their value. I distinctly foresee the day when these may be expected to touch a 100 per cent or even more premium, Inshaallah..

I am confident that the BECO's new issue of shares when they are offered to the public, if any is left after the share-holders' appropriation, will be fully subscribed to in the shortest possible time for BECO's name stands high for superb workmanship, dependable and efficient management and sound business.



The DRAWING BOARD of a new and modern design equipped with high quality of drafting machine being the basic requirement in every drawing office.

Paramount Necessity to Build Up Healthy Traditions



*Annual Address by Chairman
C.M. Latif, on 14th August, 1955.*

The year under review synchronised with far-reaching political and constitutional upheavals in the country. It is not within my sphere to discuss the merits of political and constitutional issues. But it cannot be denied that every political and constitutional change has a bearing on the economic life of a country. No one can live in isolation. Lack of political stability gives rise to a

climate of uncertainty which retards the progress of industry. Precipitous ministerial changes in the young state of Pakistan, more than any other country, directly affect every phase of life particularly the industry. Official machinery is the first to be affected and it affects in turn all spheres of life that come into contact with it. There is annoying delay in vital decisions, irritating checks and obstructions crop up and to crown it all, the files move at a snail's pace.

It is well-known that time factor is most important for the growing industry in Pakistan. When ministerial exigencies take precedence over national issues the worst among the sufferers is industry; particularly those branches of its production which depend for their existence on the import of raw material.

What Is Right

I do not intend to perform the invidious task of apportioning blame for the unfortunate constitutional and political developments in the country. But I am constrained to say that all these have flowed from the failure of the political leaders to perceive what is right. Ladies and gentlemen, let me state that to be able to realise what is right and not to indulge in any acrimonious debate as to who is right is a golden principle. The world will be a happier place to live in if one could follow this principle. Adherence to what is right takes away much of the bitterness that rages round personalities. I daresay that Pakistan, with her paramount necessity to build up healthy traditions, requires to stand by this principle in order to eliminate all annoying controversies.

Although deeply distressed by these unsavoury

developments I, as an industrialist, have kept my lips tightly sealed. The motive was not to add further confusion to the existing chaos. But I assure you I left no opportunity to slip to emphasise to those concerned whenever I could talk to them not to lose sight of the fundamentals.

In the meantime certain developments have taken place which give rise to the hope that the dark night is about to end. We can now look forward to the emergence of a new dawn heralding an era of constitutional stability and political progress. I for one fervently hope and pray that political leadership will soon be able to give the nation an agreed democratic constitution. I assure those concerned that such a development will be hailed unanimously by the national industry.

Beco Surmounting Difficulties

It was against this uncertain background that the Bata Engineering Company (Pakistan) Ltd. battled against heavy odds and with God's grace, was able to surmount them. I am proud to tell you that the Company surpassed all previous records of achievement during the year under review. The net profit of the Company amounted to Rs.36,97,238 as compared to Rs. 23,16,721 during the last year. The Company which had put the target production of goods to the tune of ,Rs. 2,00,00,000 was able to achieve the sale of engineering goods and metal products of national importance worth Rs. 1,84,90,435. As I will show at a later stage the financial position of the Company is as sound as a rock and, with God's grace, we can face the future with complete confidence.

The Company's works at Badami Bagh have become a beehive of manufacturing activity. The works wear a new outlook. The other day when the Central Food Minister, Hon'ble Ghayasuddin Pathan, paid a visit to our works, he was so impressed that he observed: "When I walked through the sprawling shops of the BECO Works, I felt as if I was in a modern plant in Sheffield or Birmingham." Similarly, the Hon'ble Minister of Industries, Mr. M. A. H. Isphahani, on his first official visit to our works said that "he was impressed beyond measure by the various production units in action".

After a strenuous and hard struggle extending over two years we were at last able to acquire about 129 kanals of land adjoining our works. At the newly acquired site building operations are in full swing. Before long these

“I Believe in Not Making But Creating Money”

buildings will house our modern mechanised foundry, the only one of its kind in the whole of Pakistan. When the construction work now in progress is completed, the BECO works will be one of the finest production units in the whole of the East, including even Japan. Pakistan can be rightly proud of such a unique accomplishment.

Blessings of Home Industry

You will remember that last year while making a survey of industry in general, I observed in my report: “An industry that reduces itself to a profit-making machine to the exclusion of the interests of the people and the prices of identical goods in world market, is a national liability. A time must come when the consumer enjoys the blessings of home industry. A local industry, which by careful planning and successful manipulation of technical and other resources, is able to produce and sell goods at competitive rates is a real national asset.”

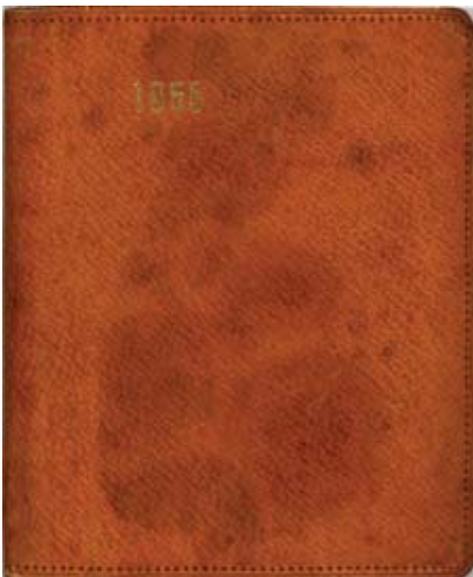
We have been making systematic and planned efforts to apply this principle to our own industrial products.

I am glad to say that we were able to announce a substantial reduction of ten per cent in the price of the BECO diesel engines from January 1st, 1955. The full significance of reduction in the prices of diesel engines should be realised in the background of protection duty of 35 per cent on imported diesel engines levied by Government on the recommendations of the Tariff Commission. In other words while we could, in view of the protective duty, increase the price of our engines we decided upon slashing it down. We did this in order to share the blessings of national industry with our people. I assure you that we stand by our pledge not to build up bank balances at the cost of the consumers but to share with them the advantages of reduced cost of production due to increased production.

This, however, is not to deny the importance of profit motive in our socio-economic life. But there is a difference between reasonable profit-making and exploitation. While we are uncompromisingly opposed to exploitation, we make every possible effort to effect economies wherever possible in order to earn more and more profit for those who have invested their capital in the Company and also to provide liberal bonuses to the employees.

CREATING NOT MAKING MONEY

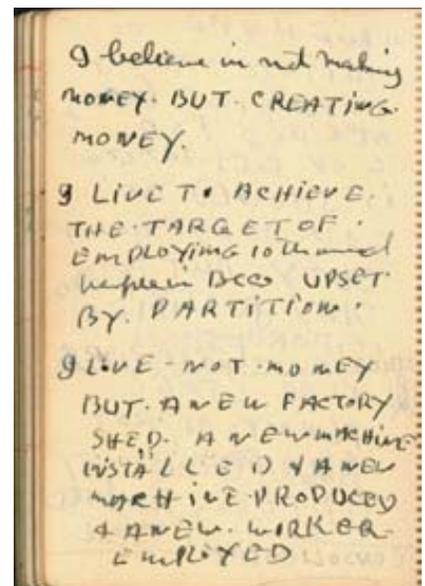
I believe in creating money and not in making money. We can create money by employing more people and by setting up new branches of production in the factory. I have my plans to be able to employ 10,000 people. These hopes are yet to be realised with national and official cooperation. But I have never forgotten that this must be achieved as early as possible. Money as such should have no attraction for any reasonable person but what should really move us is the task of adding to our national wealth and strength.



“I believe in not making money but creating money.

I live to achieve the target of employing 10 thousand people in BECO, upset by Partition.

I love not money but a new factory shed, a new machine installed, a new machine produced and a new worker employed.”



The cover and one of the inside pages of Mr.C.M.Latif's 1955 diary.

Beco's Contribution To National Reconstruction

We manufactured and supplied nearly 21,000 tons of steel structural sections and bars during the year under review to the Government and the public. This is a satisfactory performance in the background of the peculiar circumstances in Pakistan. We also supplied 3,400 diesel H.P. for “the Grow More Food Campaign.” To the Irrigation Department, in response to their urgent demand, we supplied a battery of 40 diesel engines which were required to drain off sub-soil water and thus helped to complete the Merala (Chenab-Ravi) link project in time.

The most valuable contribution to national industry was made by BECO in the form of supplying general purposes machine tools. BECO lathes, shapers and drilling machines gave reliable service to the industrial plants throughout Pakistan to ensure continuity of operation.

Our Machine Tool Division, which is the biggest of its kind in the whole of South East Asia, is manufacturing a machine tool a day on an average. I claim with legitimate pride that we are the pioneers in the whole of Pakistan in this field. We are manufacturing machine tools and other machinery which, if imported, would cause a heavy drain on our limited resources of foreign exchange.

Ideological Basis of Russia's Productivity

Before giving a detailed picture of the manufacturing activities in our various divisions I would put before you certain facets of the ideological basis of industrial production.

In accordance with my plan of renewing old and building up new commercial contacts, I paid a visit to various West European countries during the previous year. Besides, I had also an opportunity to go behind what is termed as the Iron Curtain. I was selected by the Central Government of Pakistan as a member of the Economic Delegation to Russia. It was in that capacity that I had an opportunity to see things with my own eyes in Russia and Czechoslovakia.

While in Russia, I was deeply impressed by her dazzling achievements. We of the Economic Delegation used to discuss as to how to repeat in Pakistan even on a limited scale some of the amazing achievements of the Russian people. It appeared to some of us then that without reproducing the socio-economic pattern of Russia based on communism, it was not possible either to initiate Russia's gigantic productive effort or to build up a movement for social resurgence.

But it now appears to me that I and many of my colleagues in the Economic Delegation were arguing in a circle. We failed to make a proper probe into the real causes of Russia's might. Some thought that it was communism that was responsible for kindling the flame of patriotism in the hearts of the people who worked day and night to make Russia what it is now. On the other hand the truth is that it was the innate and pristine patriotism of the Russian people which made them do wonders. In other words the fountain of all action was the noble spirit of patriotism which, throughout the ages, has inspired the mass of Russian people to stand by their country in the face of great odds. Communism may be said to be an expression of the socio-economic ideals nurtured by the Russian people.



Russian Delegation: Mr.Latif, the tallest person, is second from the right.

Some Unhealthy Trends After Independence

Let me say that the heroic resistance of the Red Army and the people against the Nazi avalanche during World War II flowed from their uncompromising patriotism. The unparalleled defence of Stalingrad (which historic town I visited) in which every man, woman and child participated against a ruthless enemy, came from the people's love for their country. Love of the country and not of ideology alone was the main motive force behind the matchless bravery of the people.



Another group picture of the Russian Delegation with Mr.Latif on extreme left.

Patriotism Alone Can Save Us

Patriotism, therefore, is the fountain head of the noble and great actions of living nations. It was patriotism which made 100 million Muslims in the Indian sub-continent to unite into a fighting machine for the establishment of Pakistan in the teeth of opposition from powerful interests. It was the patriotic zeal of the Muslim masses which, after the establishment of Pakistan, sustained the new-born state in the face of unprecedented ills and ordeals.

Mine is the interest of a practical man in the ideal of patriotism. Fired with patriotic fervour, a worker in the factory, a peasant in the field, a teacher in the classroom, a soldier in the trenches, a clerk in the office and a big boss in his study will all work with unflinching devotion in the interest of Pakistan, subordinating to it their personal, sectional, tribal and class interests.. I admit that the capitalist and feudal forces by their arrogance and heartlessness do often strive to dampen the patriotic fervour of the toiling masses. But this should make no difference to one's faith in unqualified and unconditional patriotism.

Unhealthy Trends After Independence

To seek guidance for the future let me recapitulate certain broad trends in our national life during the last decade which contributed towards the establishment of Pakistan. Pakistan symbolised to a hundred million Muslims in the Indian sub-continent concrete and tangible reflection of their moral and material aspirations on earth. No price was too high to achieve this cherished ideal. Pakistan was the promised land where they could practise lofty principles of

Islam without hindrance. Social and economic order in Pakistan would be based on Islamic equity, justice and fair play. This thrilled every Muslim to the core. This great ideal fired the imagination of the Muslim masses and with unprecedented enthusiasm they achieved Pakistan. The price in blood, sweat and tears was paid ungrudgingly.

The patriotic fervour which had made the achievement of Pakistan possible, kept the new-born state alive through unparalleled ordeals. Clerks, administrators, businessmen, peasants and workers stood by their post of duty. They added glorious pages to the history of Pakistan by their superhuman efforts.

Who then failed? Let me candidly confess that it were the leaders in various spheres of national life, and not the masses, who failed. They failed to put into practice what they had averred and preached. They failed to stand by Islamic principles. They failed to do the right to those who were in their charge. They failed to make Islam, which represented a better ideology than Godless communism, the bed-rock of socio-economic life in Pakistan. The employer failed to give a fair deal to the worker and the worker retaliated by taking his heart off the work. This led to a vicious circle drying up the fount of patriotism. Priorities were changed. The principle of keeping "Pakistan above everything else" was substituted by "self before everything else." The parochial, tribal, sectional and class interests took precedence over national interests. The cumulative effect was an all-enveloping, all-pervading and ever-deepening frustration and gloom.

A Prosperous Modern Democratic Islamic State

The Only Worthwhile Remedy

What is the remedy? We must rekindle the same unquenchable flames of patriotism in the hearts of every Pakistani which made the achievement of Pakistan possible. We must reawaken the same national consciousness which should induce everyone to work for national resurgence. We must combat internal disruption and meet potential foreign aggression. We must reiterate our unshakeable faith in the ideals of Islam in its most modern and up-to-date form. Let the employer regain the confidence of the worker by doing the right and the worker in turn respond by doing his duty. Let the employer remember that the worker is a brother-in-faith and, therefore, his equal in spirit. Similarly, let the worker realise that he is a part of a socio-economic order which confers upon him rights and privileges along with duties and obligations. Let them thus reunite in a progressive effort to create more wealth and thus help added national wealth to go round on the basis of equity. Every Pakistani man, woman and child, employer and employee, ruler and ruled, rich and poor, young and old, no matter of what colour, caste or creed must be reimbued with true Islamic patriotism to work hard ceaselessly and selflessly to convert Pakistan into a citadel of Islamic democracy.

Without acquiring this outlook, I am afraid, Pakistan will drift towards dictatorship with all the attendant perils of a totalitarian regime. This will be the end of our dreams to build Pakistan into a prosperous modern democratic Islamic state.

Consolidation Direly Needed

Since the inception of Pakistan. I have always been advocating rapid industrial expansion in the country. I, in my capacity as president of some of the organizations of industrialists, often expressed my impatience with what appeared to me to be tardy progress in industrialisation. In the background of this impatience was my anxiety to make rapid headway towards industrialisation so that Pakistan could come abreast with and possibly even surpass our neighbour Bharat in the industrial field. Unless Pakistan achieves in a decade what Bharat had achieved in about a century we can never expect to raise the standard of living of our masses within reasonable time.

The position at the advent of Pakistan was that we were predominantly an agricultural country suffering from all the drawbacks of a primitive economy. We did not inherit

any large scale industry worth the name. We were dependent on foreign imports for almost all the consumer goods excepting food. This not only hurt our national pride but also caused heavy drain on our meager resources of foreign exchange. We were, for all practical purposes, a nation of consumers dependent on outside sources. But thanks to private effort and the activities of the P.I.D.C. Pakistan took rapid strides towards industrialisation. The country can now claim to have set up a sizeable industry. Progress in the textile field is particularly praiseworthy. Pakistan has now given a fairly sharp industrial bias to her otherwise centuries old agricultural economy. It is rightly claimed that the pace of Pakistan's industrialisation during the last seven years compares favourably even with most other advanced countries of the world.

I do not suggest for a moment that after having achieved certain targets we should rest on our oars and give up further effort towards planned industrialisation. Plan for the future we must and that too in a big way. But we must do nothing to jeopardise the existing industry. The present is a stage when consolidation must become the watch word both of the Government and the public. Haphazard expansion not only leads to industrial chaos but can also result in incalculable harm to existing achievements in the industrial field, the current achievements of which Pakistan may be rightly proud.

Meaning of Consolidation

Consolidation means looking closely into the question of demand and supply of goods produced from the short and long term view-points. It implies studying the availability of know-how and necessary capital machinery to convert the raw material into finished goods. It means the problem of bringing down the cost of production with a view to reducing the price of indigenous goods to bring them close to the world price of similar goods. It means the rationalisation, stabilisation and perfection of the manufacturing processes in their minutest details so as to convert an industrial unit into a perfect machine which can stand world competition.

I clearly see that a stage has now come when stock-taking of the situation must begin. The captains of industry, whether in private or public sector, should pay special attention to this aspect of the problem. Without losing sight of the ultimate goal, the situation in the industrial field should be retrospectively assessed. The practical wisdom

Agriculture's Significance in National Economy

enshrined in the well-known Punjabi اگا دوز بھیا جوڑ Proverb (moving forward and neglecting the past) should not be lost sight of in this context.

Focus on Balanced Economy

There is also another aspect of the same problem. This is the place of agriculture in our national economy. We will continue to be, as we have been in the past, predominantly an agricultural country. More than 90% of our people depend directly or indirectly on agriculture. This has given us for centuries a socio-economic pattern which cannot be easily upset. It will be a great tragedy if we allowed our zeal for rapid industrialisation to override our concern for our agrarian problems. Only recently due to drought and shortage of canal water West Pakistan became a deficit area in food from a surplus one. We came face to face with virtual starvation and the depletion of our foreign exchange resources made the situation still worse.

Again, due to the phenomenal expansion of textile industry in the country, large areas of land are being utilized for producing cotton. This has created another problem, namely, the stepping-up of cotton production for keeping our export targets. These questions deserve the same amount of attention as any other directly connected with industry.

There can be no water-tight compartmentalisation between agricultural and industrial spheres of production. That would be unnatural, uneconomic and unscientific. We must aim at securing an integration between agriculture and industry in order to build up a harmonious economic pattern in the country. Agriculture and industry must supplement each other. Otherwise we shall be running the risk of developing a lop-sided economy. By increasing production in both farm and factory can we meet the acute shortages from which our economy suffers.

It is true that large areas of virgin soil in Thal, Taunsa, Guddu and Kotri barrages are being brought under the plough. But this is not enough. We must step up production per acre. It is here that industry can help. If we compare the agricultural yield per acre in countries like U.S.A., Japan, etc., with our own per acre produce we shall realise that Pakistan stands last amongst the countries with low productivity. We must utilize scientific methods of agriculture including manuring to increase the productivity of land and thus bridge the yawning gap between our production per acre and that of the advanced countries.

Small Cultivators Deserve Help

Another vital aspect of the agricultural problem is that a vast majority of our cultivators have no financial backing to improve their land. They have no credit facilities and remain content with employing stereotyped and out-of-date methods of cultivation. We should rouse powerful public opinion to draw the attention of those in power to this problem. What happens generally is that those with a pull avail themselves of the existing facilities for getting Taqavi loans from the Government and other sources. A vast majority of the unfortunate cultivators is generally denied such facilities. If by powerful propaganda from the press and platform the Government could be roused to the necessity of coming to the aid of the small cultivators, it would be possible for the small owners to improve their land and its output per acre. I have noticed with great gratification a recent decision of the Pakistan Government to distribute fertilizers at subsidized rates to all sections of agriculturists. I ardently hope that such generous attitude of the Government towards cultivators would become a rule rather than an exception.

Mechanisation of Open Wells

In my report last year I referred to the necessity of mechanising of open wells. There are more than a lakh of open wells in the Punjab and the North West Frontier Province from which cultivators irrigate their small holdings. The Government should subsidize up to 25% of the total cost of installing a small diesel-driven pump and advance Taqavi to the tune of 1/4th of the cost. I am sure that encouraged by this there will be great enthusiasm amongst our peasantry to go ahead with the task of mechanising their open wells. Increased water supply and intensive cultivation will lead to increased output per acre. Thus aided, the West Pakistan peasant will become a shining example for others of reform in agricultural methods. This will also open a new era of prosperity for the small holders and thus the country will have taken a practical step towards the goal of Islamic democracy. In this way not only would the aid given by Government to the hitherto neglected sections of the people infuse a new spirit of enthusiasm amongst them but would also increase the agricultural produce adding to their material prosperity.

*Visit of Mr. A. Qayyum Khan, Minister of Industries, to Beco Badami Bagh Works
on 6th April, 1953*

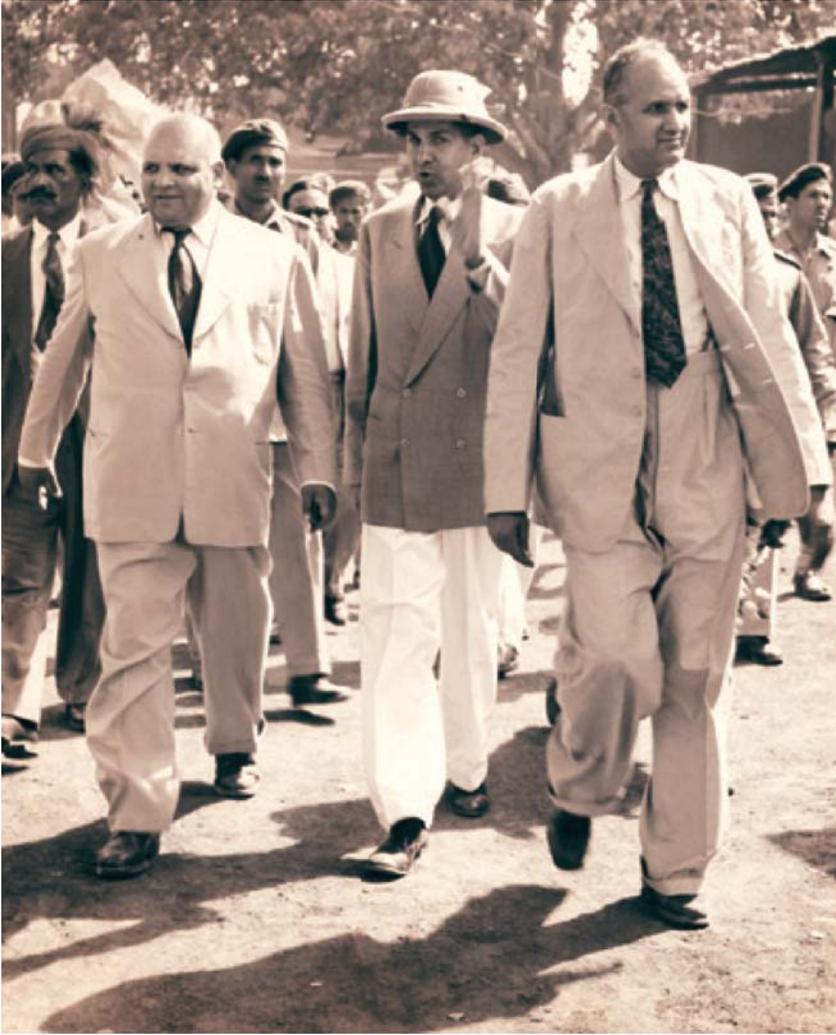


*Mr. Latif and
Mr. Sharif
flanking the Minister.*



*Mr. Sharif and Mr. Latif on
extreme right of the Minister
and Mr. Schneider on
extreme left.*

Qayyum Khan, Leaving Beco



*Mr. Latif and Mr. Sharif
on the right of the Minister.*



*The Minister leaving and
Mr. Latif seeing him off.*

THE PROJECTED STEEL PLANT

As a student of steel and engineering I want to give my views on a problem which recently hit the headlines in the press, namely, the efforts of the P.I.D.C. to set up a steel pilot plant at Kot Adu in Muzaffargarh District (Punjab) at an initial cost of Rs.9 crores. Let me say at the very outset that I wholeheartedly welcome this idea. Briefly the sponsors intend to start by setting up six units which would constitute the first phase of an integrated steel plant. **The proposed 6 units will embrace. (1) Low-Temperature Carbonisation Plant (2) Krupp Renn Plant, (3) Two 12-Ton Electric Furnaces, (4) Open Hearth Furnace, (5) Blooming Mill, and (6) Merchant Mill.**

It is proposed to produce rolled steel from the very beginning as an end product. This is sought to be achieved through employing Renn Kiln process by reducing low-graded ore into luppens (iron nodules) which will be refined into various grades of steel in the two 12-ton electric furnaces and also by converting steel scrap into a 50-ton open hearth furnace. It is estimated that the two 12-ton electric furnaces and the 50-ton open hearth furnace will turn out 55,000 tons of steel ingots per year. This will entail 45,000 tons of steel scrap for feeding the 50-ton open hearth furnace in addition to 50,000 tons of iron ore to be consumed by the renn kiln process. The merchant mill will roll 46,000 ton of finished sections, rounds and squares, etc.

FIRST PHASE TO COST RUPEES NINE CRORES

The cost of the first phase of the scheme is estimated at Rs. 9 crores. The completion of the scheme in the fourth and final phase will cost a sum of Rs. 71 crores in addition to the initial cost of Rs. 9 crores. In the final phase the plant is expected to yield 3,62,000 tons of rolled steel and 50,000 tons of pig iron. It is, however, pertinent to remember that the new steel works which Bharat is now putting up would yield one million tons of iron and steel annually at an estimated cost of Rs. 100 crores (equivalent to 70 crores of Pakistani rupees) for whole of the plant.

Gentlemen, as a Pakistani nothing gives me more pleasure than the efforts of those who are planning to give the nation the basic requirement of industry, namely, iron and steel. Any effort, any step and any experiment towards this goal deserves the whole-hearted support of every true well-wisher of the country. But, when public money to the tune of crores

of rupees is involved we must weigh every step carefully in harnessing of our resources. We must not hazard a single wrong step which we may have to retrieve later. We must carefully apply every known test to the commercial implications of the project. Scientific objectivity and not sentimental attitude should be the guiding factor in assessing industrial and economic affairs. It is, therefore, as a practical industrialist that I intend to x-ray the projected steel plant sponsored by the P.I.D.C. with the assistance of Krupps.

The PIDC-Krupps started a survey with the object of embarking upon a pilot plant. The plant was to serve as an experiment for prospecting the commercial and technical values of the available raw material. Ultimately it was to be made the nucleus of a full-fledged steel plant. But the proposed steel plant was to come into existence only after proper and necessary experimentation. In spite of the earlier decision to start with a pilot steel plant the sponsors have actually landed upon the first phase of an integrated iron and steel plant. With this end in view they have suggested the establishment of six units as afore-mentioned.

It is proposed to produce rolled steel from the very beginning as an end product. A 50-ton open hearth furnace to be fed by melting scrap is intended to reinforce the programme of steel rolling.

I take this opportunity to emphasise that the scheme in its present form suffers from underestimation of expenditure on local labour, foreign experts, depreciation, power and fuel, etc. I fail to understand why sponsors of the scheme should not stick to the original plan of beginning with a steel pilot plant for manufacturing iron (pig iron). The manufacture of pig iron and even steel, I admit, is bound to cost more than the normal in view of the low quality of our ore and coal and the reduction method to be used in this behalf (Krupp Renn). But this should not deter PIDC from manufacturing iron (pig iron) from our own resources. Iron (pig iron) being the basic need of the industry they should not hesitate to ask the Government to subsidize the project. This will be entirely consistent with the pioneering role of the P.I.D.C.

I wonder why a renowned firm like Krupps have bypassed the manufacture of iron (pig iron) and left its production to a second stage. The manufacture of steel from melting scrap appears to be a device to cover up the uneconomic aspect of the proposed plant. The rolling of steel based on ingots mainly produced from melting scrap has

Pakistan's Re-Rolling Capacity

been introduced as a part of the first phase of the integrated steel plant without worrying one bit as to the admittedly inadequate supply of melting scrap from internal sources. **The sponsors have overlooked the risk of premature investment of nearly Rs six crores on units 4, 5 and 6 before waiting for the results of the commercial aspect of our ore and coal. In view of our limited internal and external financial resources this point deserves special attention of all concerned.**

PAKISTAN'S TOTAL RE-ROLLING CAPACITY

The total steel re-rolling capacity in Pakistan according to the Hon'ble Finance Minister (vide his last budget speech) is one lakh fifty thousand tons (1,50,000) which is regarded as higher than the total requirements of the country. It is a patent fact that due to non-availability of the raw material (billets) according to requirements, the rolling mills are working only to 1/3rd of their total capacity. Installation of a merchant mill backed by a 50-ton open hearth furnace (to be fed by melting scrap) for rolling categories of steel already produced by existing mills will create more problems to solve than contemplated.

I sincerely expect of a firm like Krupps and a body of the eminence of the P.I.D.C. to face facts. Let me assure them that my approach is not motivated by any consideration of business competition. **I believe in the survival of the fittest and I look upon healthy competition as a stimulant. My interest in the subject is that of a Pakistani who has some knowledge of this trade and desires that the P.I.D.C. should be saved from all avoidable hazards.**

At the end I hope that encouraged by the good press coverage which the project received in Pakistan, the P.I.D.C. will not be hustled into a venture from which it may find it difficult to extricate itself. Let it follow the golden principle of "first things first" and begin with establishing a pilot plant for manufacturing iron (pig iron) as an end product and also give top priority to the development of coal and ore sources simultaneously. When this proves a commercial success, let the P.I.D.C. then embark upon the task of setting up an integrated steel plant. They must resist the temptation of establishing the first phase of integrated steel plant by resorting to the manufacture of steel from melting scrap and then rolling it to make it look like an economic project.

REVISION OF TARIFF SCHEDULE

The absence of a rational tariff schedule with an industrial bias is a real hindrance in the way of proper

development and expansion of industry in the country. It is, indeed, gratifying to realize that there is a consciousness in Government circles regarding the irrational and complicated nature of the existing tariff schedule as is evident from the speeches of those in authority particularly the Finance Minister of Pakistan (vide his budget speech, 1954). What is lacking are practical steps to reconstruct the entire schedule and to get it enacted by the legislature. That the present tariff schedule suffers from inconsistencies and other lacuna can be illustrated by just one example. While there is 5% or so of import duty on a large range of finished items, it is 20 to 40% on the raw materials required for their manufacture.

It is true that piecemeal efforts have been made during the last seven or eight years of Pakistan's existence to remedy the glaring defects in the tariff schedule. It must be acknowledged that these did give some relief to industry. But seen in the proper perspective these did not even touch the fringe of the problem. One such recent effort was in the form of Government accepting the recommendations of the Machinery Committee to levy a uniform rate of 5% import duty on machinery in general. The relief intended to be given to the industrial importers in this way has been frustrated by the naive interpretation put by the Customs Department on the amendments. They have defeated the objective underlying the Government decision to assess all machinery including capital goods, appliances, apparatus and component parts, etc., at 5% by constantly seeking clarifications from the Government under one pretext or the other. This has caused disillusionment and dismay amongst the industrial importers who feel that they have been deprived of the earlier concession enjoyed by them in the form of duty-free import of capital goods.

I believe it must have been this aspect of the existing tariff schedule as amended from time to time which made the Hon'ble Finance Minister of Pakistan promise in his budget speech (1954) "to revise the present custom tariff to make it simpler and more rational". He further promised to introduce legislation to impart industrial bias to the tariff schedule. But, perhaps, due to constitutional crisis through which the country has passed the promised legislation was kept in abeyance. Now a new Constituent Assembly, which will also act as Federal Legislature, has come into being. I hope the Government particularly the Finance Minister would give priority that is due to the task of enacting laws on tariff calculated to promote the cause of industry. This alone will end the existing hurdles which stand in the way of progress and development of many industrial items.

Pak-American Alliance----Its Implications

In my last year's report I gave my views on the necessity of encouraging the private sector as a powerful ally of Government in tackling national and international problems. In this connection I referred to an ideological link-up between Pakistan and America. It would be in the fitness of things if Pakistan derived inspiration from U.S.A. by affording fullest encouragement and protection to the private sector.

The Prime Minister Visits Beco Badami Bagh Works



Mr. Wagner, Beco's Chief Designer explaining the Prime Minister of Pakistan, Khawaja Nazim-ud-din. The Prime Minister has his back to the camera, Mr. Wagner and Mr.Latif are facing him.

Prime Minister, Khawaja Nazim-ud-Din is in the middle, with Sardar Abdul Rab Nishtar, Minister of Industries, on his right. On his left is Mr. Fazal-ur-Rehman, Minister of Commerce. Mr. Latif and Mr. Wagner are standing behind them. The guests are examining Beco's machine tools at Badami Bagh Works.

The date of this visit is presumed to be between the years 1951-52.





Mr. Daultana, the Chief Minister of Punjab visiting Beco Works at Badami Bagh.

The time of this visit is presumed to be between the years 1952-53.

The Foreign Minister Visit



Mr. Latif explaining to Ch. Zafrulla Khan, Pakistan's first Foreign Minister, Beco's diesel engines at Badami Bagh Works.

The time is presumed to be between the years 1952-53.

Ch. Zafrulla Khan is being explained about a trolley mounted Beco engine.



Problems Flowing From Pak-American Alliance

A bold decision has been taken in the form of Pakistan's joining the SEATO. In my opinion Pakistan must now play vital and active role in the defence of this region by converting herself into a supply base of such goods to the SEATO nations for which the capacity exists and could be developed further.

World War II has an important lesson to teach. It is that to depend on outside sources for supplies and equipment which can be cut off by naval blockades, is dangerous. When Italy entered the War, the Mediterranean link between India and U. K. was cut off resulting in the virtual isolation of the former. It was then that those responsible for prosecuting the War woke up to the grim necessity of converting India into a supply base for the Allied troops operating in Middle East and the Near East.

In view of her grave responsibilities U.S.A. must plan in time to avoid repetition of perils suffered in World War II. I re-emphasise that the private sector in Pakistan must not fail to play its full part in meeting the defence requirements, as far as possible, not only of Pakistan but of the SEATO nations as well. Without making proper defence plans, including plans for the creation of local capacity for production of war material in time, it will be extremely difficult for the democracies to face an emergency if and when it arises. I ardently hope that the rulers of Pakistan will make use of the present situation and build up a powerful defence and allied industry in Pakistan with local and foreign help.

WHAT CAN AMERICA DO

It is primarily as a citizen of Pakistan that I take the opportunity of drawing attention of the Americans to some of the problems that flow from Pakistan-America alliance. **The Pak-America alliance has been consecrated in the form of Military Aid and Economic Aid, etc., with Pakistan taking on additional responsibility by participation in SEATO. The idea behind all this, I believe, is that in partnership with America, Pakistan will be converted into an impregnable fort of defence against ideological and territorial aggression in this region.**

This invests Pakistan with responsibilities on the successful accomplishment of which depends not only her own future but American security in this part of the world as well. This justifies, some plain speaking. Let the great American people realise that our decision to

stand shoulder to shoulder with the West in the defence of democracy has caused no small annoyance to our immediate neighbours. Bharat's stand in international affairs is no longer dubious. The more we come close to America the more bitter Bharat becomes against us. This has multiplied manifold our internal and external problems.

The U.S.A. should fully appreciate the implications of situations like this. Let her realise that it is the strength or weakness of Pakistan that will determine the future of international communism in this region. A fully prepared Pakistan will not only be a guarantee against aggression but will also modify the attitude of neutral countries in this part of the world.

The success of Pak-America alliance in carrying out the objectives outlined above depends upon certain considerations to be kept in view by both the partners. It connotes not only supply of finished goods but also the harnessing of local resources and providing "know-how." America is in a position to help Pakistan to increase her industrial potential, build up military might and reconstruct her socio-economic life on healthy lines.

America is a brave friend and a generous ally. My personal experience of America has been extremely exhilarating. Nature has endowed her with infinite resources and their proper exploitation has made her into a land of plenty. The American people do not feel the necessity of "political regimentation" or "economic controls."

It is this aspect of America which makes Pakistan look towards her as a natural ally. There is basic identity of ideals and interests between the two. Critics of the America-Pak alliance, like Bharat, often ignore this identity of interests and aspirations when they assign sordid motives as an explanation of this solidarity.

How is it that despite such solid identity of interests and ideals criticism flourishes not only outside but also inside Pakistan. Perhaps it is because the common man does not see the visible signs of the undoubted fundamental solidarity. This is a problem where the solution primarily lies with our American ally. They should not stop with the periodical supply of consumer goods. Pakistan and America should work out a concrete plan of industrial co-operation. Only the expedition of such a plan can kill the rumours that Pakistan has been "let down".

Workers – Management Mutual Understanding

The sinister whispering propaganda of Pakistan having been "let down" must be met not with a counter-offensive of slogans but with solid achievements. Let Pakistan receive full quota of the expected aid. Time factor is most important. Let our American friends give top priority to their commitments and thus restore confidence on all sides.

OUR DUTY

We Pakistanis should also realise that American aid must not act like an opiate and lull us into a sense of self-complacency. We must not forget that a country which cannot breathe economically cannot retain her political independence for long. We must not live on artificial respiration. **The best possible use of American aid is to convert it into a gigantic creative effort.** We must tap, exploit and harness to the full our own internal resources both human and material. A man with a beggar's bowl cannot command respect. But a man seeking assistance from a friend to develop his own resources adds to his self-respect. Just as we gratefully told America that we did not stand in need of any more American wheat in view of our having increased food production we should be able to tell our ally in the not too distant future, **"Thank you for all that you did for us in our time of need. We have now succeeded in gearing our material and human resources to a level where we can meet our national requirements and international commitments."**

Without this Pakistan and America will never be able to face their internal and external critics.

AMERICAN GUARANTEES TO PRIVATE SECTOR

Recently an agreement has been concluded between the United States of America and Pakistan to make the private sector in America invest in Pakistan without any fear of their investments being adversely affected by vicissitudes in Pakistan's economy. The Government of America has given full guarantees to the American investors against any inroads on their business interests from any quarters. They have been particularly guaranteed against loss from inconvertibility of foreign currency earning into dollars. This I believe should stimulate the interests of private sector in America to look upon Pakistan as a safe field for their investments. I assure them that they will find an enthusiastic response amongst the people of Pakistan to their investment of capital to promote industrial and commercial potential of our country.

Similarly this agreement also affords an opportunity to Pakistan's private sector to have a tie-up with the prospective American investors with a view to

exploring new fields of industrial and commercial enterprise. There is a good deal of virgin soil in Pakistan's industrial field to be broken up.

HUMAN RELATIONS WITH LABOUR

We as employers of a large labour force are constantly thinking of ways and means to have the best of human relations with the workers. A satisfied worker is the most valuable asset of industry. When one comes to think of innumerable hours lost due to strikes, lock-outs, hartals, sit-down strikes and protest processions, it is then that the full significance of promoting goodwill between the workers and the management can be realised. I am proud to tell you that we in BECO, both workers and the management, are making genuine efforts to understand each other's problems and difficulties and help to solve them both by conviction and practical necessity. I do not believe in any intermediaries coming between the workers and the management. This is, of course, not to deny the importance of trade union movement. I make it a point to talk to them directly. I take them into confidence about all our problems. I encourage them to speak out what they feel about a situation. **I have found that when an average Pakistani worker knows the facts of a situation he is as dependable as a rock. By virtue of his religious training, an average Muslim worker is not easily swayed by false class prejudices. When moved by a sense of patriotism he is most cooperative and hardworking.**

I do not claim for a moment that BECO workers have ideal terms of service. I know that they, as many more all over Pakistan, are suffering from various hardships some of which can be directly traced to the general low economic level of the country. But I daresay that we are striving by mutual understanding to eliminate progressively chances of friction and irritation. I pay my whole-hearted tribute to the workers for their devotion to duty and sense of cooperation which alone made it possible for us to achieve our production targets.

NOTE OF WARNING

But I must sound here a note of warning. There is a great deal to be done by everyone of us, including the workers, to bring down the cost of production, in order to pass on the benefits of large scale production to consumers and workers. We have plans to build up a sizeable export trade with the Middle East countries which are our natural markets.

Dr. Khan Sahib & Other Guests at Beco

It is a platitude to say that there are three primary and fundamental requisites of industry. They are: (i) raw material, (ii) skill, and (iii) hard work. It is only rarely that a country possesses all the three requisites. Japan, for instance, is poor in most of the raw materials and therefore resorts to imports. It is the hard labour of the Japanese workers which enables the industrialist to compete in the world market in goods for which the raw material is imported. The Japanese hard work is proverbial. It is absolutely correct to say that the Japanese industrialists export the labour of Japanese workers. Similarly, in most of the European countries it is the skill (which includes technique and handling of machines) that goes to give industry its basis for world competition. It can be said that the Continent exports its skill in the form of its industrial output. We in Pakistan who are deficient both in raw material and skill can make up for this by hard work. Unrelenting hard work alone will enable us to produce goods which we can export and sell in the world market without suffering from any price lag.

Distinguished Visitor at the Beco



On Left, Mr. C.M. Latif explaining Dr. Khan Sahib, Chief Minister West Pakistan (centre).



Above Mr. Sharif is explaining to Dr. Sahib.



Above some Technical matter is being explained to a dignitary.



Above Mr. Latif is smiling while receiving the guests.

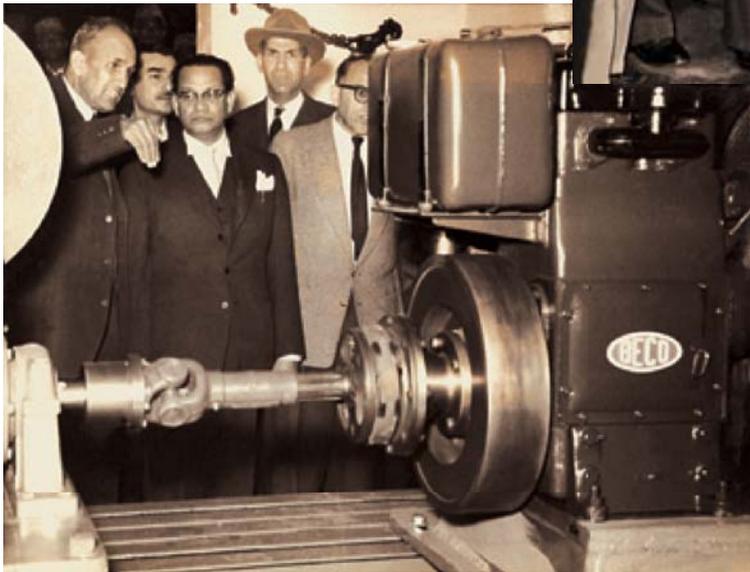
Heads of Commerce & Industry Visiting Beco



Mr. Latif (extreme right) taking Mr. Aziz Ahmad, Secretary, Ministry of Commerce Government of Pakistan, (next to him) around Beco's Badami Bagh Works.



Mr. Khalili, Secretary of Industries, at Beco Works, Badami Bagh During his visit on 15th March, 1955.



Mr. Sharif explaining to Mr. A.K.Khan, Minister of Industries.

Some Measures for Worker's Welfare

ASSURANCE TO BECO WORKERS

I assure BECO workers that the management regards them not merely as employees but as a part and parcel of the organisation which is a national asset. It is our aim to promote a fraternal atmosphere both inside the factory and outside. I cannot think of the prosperity of the Beco shareholders without providing the workers with the basic needs of life.

I say to the workers, "You must realise how supremely important it is to help industry to come up with your hard work. You must develop by concentration and devotion, ruthless efficiency without which it will remain a dream for Pakistani industry to compete in the world market." Such efficiency is contagious. An idler in a workshop should become the object of contempt by his fellow workers. The shirker and time killer should be regarded as a moral leper and therefore be shunned. The workers should establish in the new State of Pakistan traditions of unswerving devotion to duty and thus set the pace for others. They should adopt the code of checking, chasing and competing with each other.

DUTY OF TRADE UNION LEADERS

I think the trade union leaders can play a very vital role in inculcating amongst their members a sense of duty and discipline. The function of a trade union, besides fighting for the rights of workers, is to instil amongst them a spirit of hard work and dependability. A trade union representing a really competent, hard working and disciplined force is in a far more advantageous position while negotiating on their behalf with the management than a trade union which leads inefficient, incompetent, lazy and undisciplined force.

WORKERS' WELFARE MEASURES

Now let me give you a brief account of our efforts to improve the lot of the workers. As in the past year bonus on a liberal scale was given to them. Steps are being taken to provide necessities of life to the workers at comparatively cheap rates through the BECO Workers Co-operative Stores which have been registered. For moral uplift of the workers a whole-time enlightened and sympathetic teacher who is well versed in the teachings of Islam has been employed. He not only conducts prayers regularly in the factory mosque, but also imparts lessons in literacy to those who are in need of it. On every Friday he delivers religious sermons which are attended by a large congregation of

workers.

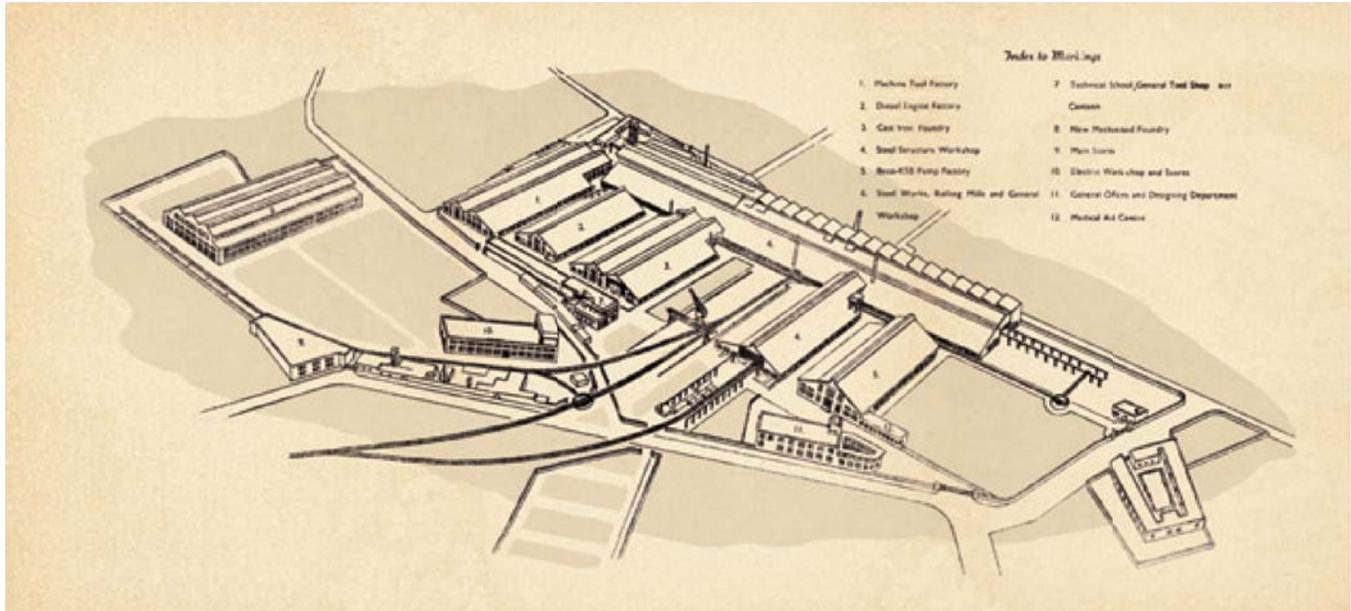
The BECO Employees Co-operative Stores will start functioning at an early date. The plan is to convert the existing main office building into a canteen and a storehouse. The management of the cooperative Stores will be in the hands of the workers. I am told that ultimately the cooperative stores will provide every single necessity of the employees and their families at cheap rates.

- (1) Amongst other steps that have been taken in the interest of Beco workers is a recent decision of the management to appoint them incharge of production. The Pakistani officials of the Company will be responsible for fixing production targets and executing them. This will go a long way in raising the morale of the Pakistani labour who suffers from inferiority complex vis-a-vis the foreign experts. It will also enable the really competent and hard-working Pakistanis to reach the highest rungs of the ladder.
- (2) It has been decided to accord preference to the sons and close relatives of the BECO workers for the purpose of admission to the BECO Technical School which will pave the way for their getting permanent employment in the works.
- (3) The management has already sent four Pakistani employees for practical training abroad. The idea is to send abroad regularly a batch of promising young Pakistani workers to learn the latest techniques in production.
- (4) Facilities for Provident Fund have been enlarged and the management has approached the workers to take full advantage of them.
- (5) A primary school for the sons and daughters of the employees is being opened where free education will be imparted.
- (6) A night adult school is being opened to provide literacy to those who are keen to receive it.
- (7) A free whole-time dispensary is also operating for the workers.

The most important factor is that the wall separating the workers from the management has been removed. There is a spirit of camaraderie between the workers and the management. All they are trying to build up happy social contacts outside the factory without in any way impairing discipline in the works. The year under review was free from all labour troubles.

Graphic Aerial Map of Beco Badami Bagh Works

This is the second (the first one on page 66) graphic aerial map of Beco Badami Bagh Works which has been recovered, from Mr. Latif's booklet address to the share-holders 14th August, 1955. The expansion taking place is visible below when compared with the first map on page 66.



BECO'S MOUNTING PRODUCTION

Now let me give you a brief picture of our financial position. A perusal of the Audited Balance Sheet and Profit and Loss Account convincingly proves that the Company's financial position is as stable as a rock. The net profit of the Company during the year under review amounted to Rs. 3,697,238 and the General Reserve Fund on 31-3-1955 stood at Rs.3,625,000. The steady pace of progress maintained since after the exchange deed was finalised in 1950, is reflected in the following figures. Below is a division-wise progress report in brief covering the year under review.

Year	Sales
1950-51	Rs. 41,46,022-
1951-52	Rs. 52,17,557
1952-53	Rs. 84,92,570
1953-54	Rs. 1,38,57,641-
1954-55	Rs. 1,84,90,435-

MACHINE TOOL DIVISION

We have been manufacturing on an average one machine tool daily according to international standard of precision. We are the pioneers in this field and have built up a reputation which is unequalled by any in the whole of South-East Asia. We produced and sold during the year under review

lathes, shapers and drilling machines, etc., according to schedule. On the closing day of the year under review there was no stock left in hand. Actually we have had a sizeable order in hand to be fulfilled during the current year.

The biggest problem that Pakistan faces on the economic front today is the task of partially converting her predominantly agricultural economy into an industrial economy without, of course, harming the agriculture. The farm and factory working to their full capacity alone can relieve the acute shortages from which country's economy suffers. The accomplishment of this task is dependent upon making available to the industry its sinews. Our foreign earnings are extremely limited and imports of machine tools and other machinery is very much handicapped by this fact. This poses a threat to the national industry. Our Machine Tool Division to some extent is a concrete answer to this threat. By mobilising all our technical and human resources we have converted this division into a most modern and fully-equipped unit. We are able to produce goods in this division according to international standards and at world competitive prices. In design, durability and finish BECO products compare favourably with any other renowned products. We are making systematic efforts to improve the design and quality of machine tools and have shown extremely satisfactory results. BECO products are even better than many overseas products.

Grow-More- Food Campaign

We have now planned to step up production of machine tools in the current year by at least 100% which in other words means that we will produce goods worth Rs. 30 lakhs this year as against Rs. 16 lakhs in the last year. Our aim is to be able to export machine tools to the Middle East countries with whom we have built up commercial contacts.

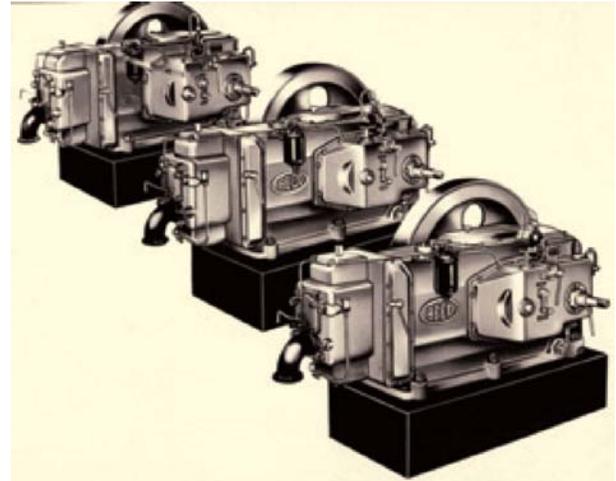
DIESEL ENGINE DIVISION

Another mile-stone which BECO set up on the road to progress in the national industry is the supply of diesel power. We have supplied during the year under review 3,400 diesel H. P. to the country and thus have substantially contributed towards national progress under the GROW-MORE-FOOD CAMPAIGN.



Partial view of assembly shop of slow speed diesel engines.

We are now manufacturing and supplying diesel engines of 10, 15, 20 and 25 Horse Power. The mechanical efficiency of the BECO Diesel Engine has been proclaimed at 86% by the Inspection Department of the Government of Pakistan. This compares favourably with the topmost diesel engine manufacturers of highly industrialised countries. **The fuel consumption of the BECO Diesel Engine is 0.4 lbs per h.p. per hour which is claimed to be the minimum so far achieved by the diesel engine industry.**



Three types of Slow Speed Diesel Engines: Model BH 1, CH 1 and DH 1. These were heavy duty prime movers for Irrigation, Agricultural Implements and Small Ind:

Output full load	...	15, 20, 25, 30 H.P.
Rated Speed	...	450, 400, 430, 500 R.P.M.
Fuel Consumption	...	0.4 lbs/BHP/hour+10%

Diesel Engine Division

BECO Diesel provides ample power for all types of industrial and Agricultural Equipment including Pumps, Generators, Cranes, Concrete Mixers, Compressors, Welding Plants and Tractors.

This achievement is made possible by excellent manufacturing facilities, modern engineering techniques, and a coordinated flow production system operated by experienced Diesel Engineers, is one of the most up-to-date manufacturing plants in the country.



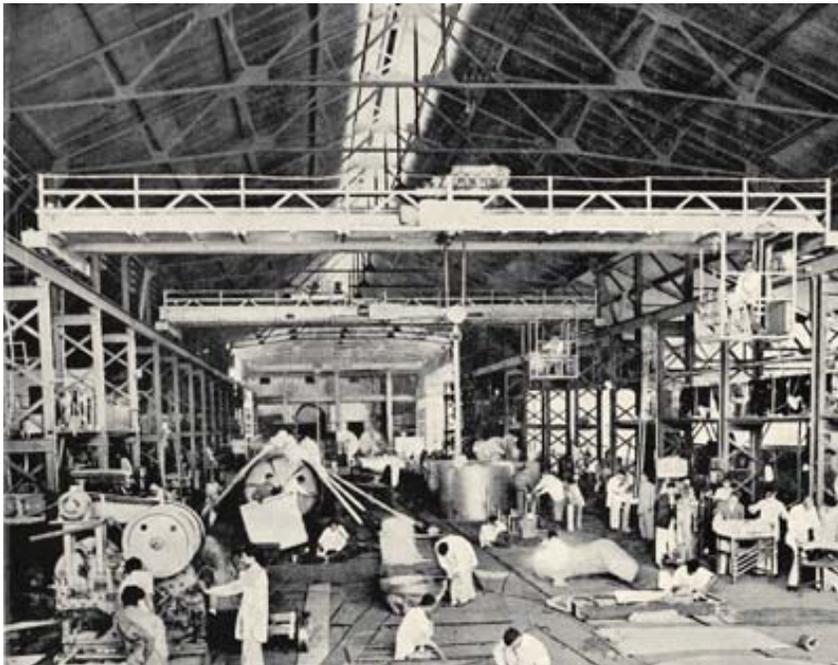
I am glad to tell you that we supplied to the Irrigation Department of the Punjab Government in a week's time 40 diesel engines of 20 H.P. each. The Department without being supported with such a battery of diesel engines could not have completed the construction in time of the Ravi-Marala Link. Without a proper national industry a response could not have been made to a call of emergency by the Irrigation Department.

We have now planned to manufacture horizontal type high-speed diesel engines the design of which have been purchased from M/s Farymann Diesel (Germany). We hope, with God's grace, to produce high-speed diesel engines before the year runs out. We look forward to the day when the BECO Diesel power will be available in every square mile of Pakistan.

The Diesel engine shop has been equipped with a new horizontal boring and milling machine. A powerful special lathe for turning of crank-shaft has also been commissioned. It has been planned to procure during this year universal grinding machines, universal milling machines, hobbing machines, cylinder boring machines and portal type surface milling machines. We are determined to make this shop fully equipped with the most modern machinery.

TUBE-WELL DEPARTMENT

The Department continued its programme of manufacturing strainers, pipes and sluice valves and supplying complete tube-well outfit in co-operation with our tube-well drilling department. We have now become independent of outside purchase by being in a position to roll ourselves brass sheets required for the strainers.



A picture of this Structural department was reproduced on page 60.

STEEL RE-ROLLING MILLS

This Division has been completely remodelled on modern lines. The old dilapidated mills have been replaced by modern mills with a total rolling capacity of 72,000 tons per year, working at a 10-hour shift. We have put into commission two more pusher type reheating furnaces which have greatly improved the quality of rolling. This capacity is nearly half of the total effective capacity of all the other mills in Pakistan.

GENERAL ENGINEERING SHOP

Apart from manufacture of standard agricultural implements, this shop is producing various other products such as mechanical parts, including gears for sluice gates, sprinkler heads for sprinkling plants and such others. This branch has also been useful in providing equipment for the new rolling mills.

STRUCTURAL DIVISION

This Division has extended its activities considerably during the last 6 months. Rather than meeting only the internal demands, this Division has been working at top speed to meet outside requirements also. We supplied to Government 1,300 transmission towers and electric cross beams manufactured from BECO manufactured steel.

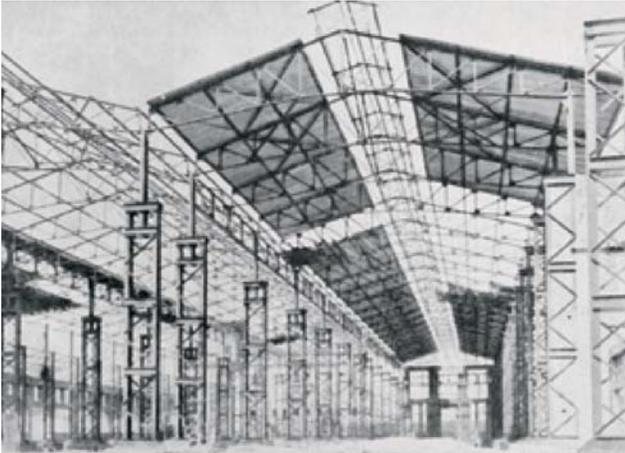


This department also made safes, cabinets, etc.

The Beco Apprentice School

This Division met the entire requirement of Pakistan in storage tanks for oils and petrol required by various companies dealing in the trade.

We could not get any order from the Taunsa Barrage due to the failure of the Punjab Irrigation Department experts to bring home to the American manufactures that sizeable capacity existed in Pakistan. But we got orders from Kotri Barrage Authorities for sluice gates. We design in our own Designing Department and are now supplying canal regulator gates to the entire satisfaction of the authorities. We have recently engaged an experienced foreign canal regulator gates designer and have established a separate designing department for our Irrigational structural works. In this division, an automatic arc welding process has been introduced.



Complete factory sheds were also handled by this department.

BECO-KSB DIVISION

The BECO-KSB Division which is the biggest pump-manufacturing shop in Pakistan having overcome all the teething troubles, entered upon full production and even surpassed production target fixed for the year. This Division, which specialises in manufacturing centrifugal and deepwell turbine pumps, is now almost a self-contained unit.

You remember that in my last year's report I mentioned that BECO-KSB Pump Manufacturing Co., Ltd., Batala Engineering Company-Klein, Schanzlin & Becker, A.G. Frankenthal/Pfalz. (West Germany) came into being in August, 1953, with a paid-up capital of Rs. 10 lakhs. As indicated last year the capital has been increased by Rs. 5 lakhs and it now stands at Rs. 15 lakhs. The pumps manufactured by this Division are standard products and give reliable service.

This Division manufactures six varieties of centrifugal and three varieties of deepwell turbine pumps. Up-to-date pumps worth Rs. 5 lakh were manufactured and supplied to the Government Departments and various other public concerns. The prospects before this department are very bright in view of the public and private efforts to meet water shortage in West Pakistan.

We are also the sole agents for the KSB products such as compressors, sewage pumps, submersible pumps and high pressure pumps. The K.S.B. owns 4 pump factories in West Germany and are standard makers in Europe.

BECO-KSB sales section is regarded as top supplier of imported pumps all over Pakistan. Up-to-date pump plants worth Rs. 12 lakhs were supplied to Government and the public. Another order worth Rs. 5 lakhs for supply of imported pumps was secured during the last 2 months.

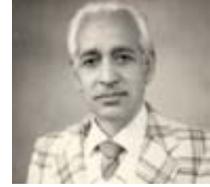
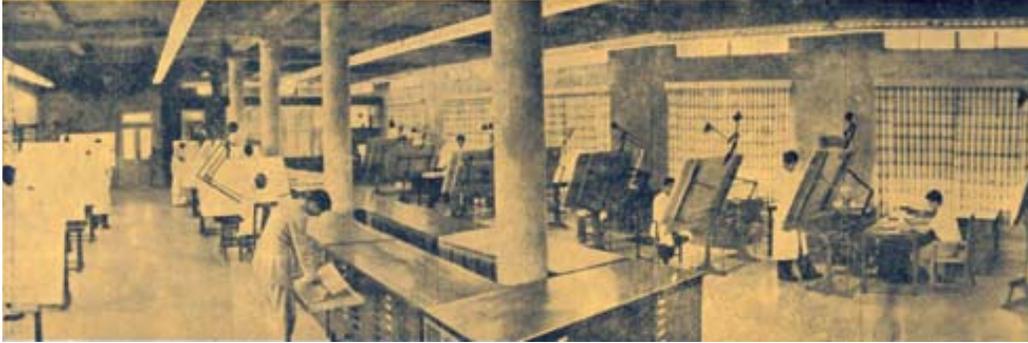
Photographs of the product range mentioned above was not recovered. See initial picture of the division at page-73. When the new tie-up with M/s Jacuzzi Bros. of U.S.A. was done in the year 1959, product pictures became available and are being reproduced on subsequent pages.

THE BECO TECHNICAL SCHOOL

As I indicated in my last year's speech, efforts continued in the direction of establishing an Apprentice School. This school is fully equipped with new tools, gauges instruments, work benches and marking plates, etc. For the time being we shall be accepting twenty apprentices with a two-year course for such trades as turners, capstan turners, precision grinders, universal millers, operators for shaping machines, hobbing machines and horizontal borers and drillers.

Beco Is The Key Industry

We have shifted the Central Workshop Office to a new spacious building at the entrance of the factory. This building houses on the second floor the new Designing Department which we claim, has no parallel in the whole of the East. It is equipped with modern drawing boards on swivel stand and drafting machines. There is also a fully-equipped photographic laboratory attached to it.



The head of photographic laboratory who was well over 70 by the year 2005 and was still able to supply some valuable photographs after the sabotage of his offices by a manoeuvred fire in the year 1992. (See page 239)

OUR LONDON OFFICE

A word about our London Office. It is housed in an engineering centre in the heart of London at 17, Victoria Street S.W. I. (Tel. ABBey 6506). It is now functioning to the complete satisfaction of all concerned. But for the efforts of this office, we would have been left far behind in securing our supply of raw material due to delay in issuing of licences. But thanks to the energetic efforts of the Office Incharge we have been able to make up for the delay by getting shipment as early as it was humanly possible. Similarly, our London Office did useful work in obtaining billets and other steel products, the world market of which has gone up during recent months. It is becoming increasingly difficult to get supplies in the world market.

THE OVERALL PICTURE

The overall picture of the affairs of the Company is exhilarating. A perusal of the Balance Sheet and Profit and Loss Account reveals the rock-like stability of the finances. Last year our profit amounted to Rs. 2,316,721 while during the year under review they soared to Rs. 3,697,238.

The heavy premium which people place on BECO shares due to the mounting prosperity of the Company can be judged from the fact that in the Karachi Stock Exchange they were being quoted at Rs. 95 against their face value of Rs. 50. This registers almost a hundred per cent rise in the face value of our shares. **I am confident that with the growing popularity of the Company with the investing public and the expected enhancement in our production target during the current year the value of BECO Shares will continue to rise further.**

As is already known to you under sanction by the Controller of Capital Issues, Government of Pakistan, the Company issued to the extent of 25 percent Bonus Shares to all persons being members of the Company on 15-6-1955.

BECO IS THE KEY INDUSTRY

I clearly visualise the great role that BECO is destined to play progressively in the industrial life of the nation. Ours is a key industry. The pioneering role played by us in manufacturing vital machinery and engines, etc., on a large scale, has already made our name ring throughout Pakistan. Thanks to the matchless industry of all concerned BECO products are a by-word for quality products. What is really inspiring and an occasion for thanks-offering is that BECO's name has at no stage been sullied by profiteering.

As I explained in my last year's report ours is a basic specialised industry which mainly depends on imported raw material. Our claim which has been proved to the hilt is that **for every rupee worth import of raw material we produce goods worth Rs. three.** These goods in the past have been on high priority of imports. BECO is one of the largest conservers of foreign exchange.

With the growth of industry in Pakistan the demand for BECO machinery continues to grow. This demand can be met by the authorities coming forward by giving us licences for the import of essential raw material commensurate with the requirements of the national industry. At present there is not a single industrial unit in Pakistan worth the name where BECO lathes, shapers and drilling machines are not in commission.

Beco Turning Out Vital Capital Machinery

Issuing of licences to us in time is, therefore the quintessence of the problem. In 1954 the Government issued us licences in good time and it was because of this that we were able to achieve 92 per cent of our production targets.

I deeply regret that this year inordinate delay occurred in granting us licences which fact has caused delay in the shipment of material from overseas. We had to rush part supplies of many vital articles by air in the interest of continuity of production. On realising the full extent of our problems the authorities issued us licences according to our requirements.

FINANCE MINISTER'S WORDS OF WISDOM

Pakistan's talented Finance Minister, Hon'ble Chaudry Mohammad Ali has so ably steered the ship of Pakistan's finances clear of all rocks. During his Budget Speech (1955) he hinted at the necessity of determining priorities for import licences between various competing demands. I fully support this and hope that the Hon'ble Finance Minister's directions will be implemented so that delay in the issue of import licences to the industrial consumers which happened this year is not repeated. Our requirements in respect of import licences covering absolutely essential basic raw material has been adjudged and approved by the D.G.S. & D. On this the Ministry of Industries has put its seal of approval.

We imported this year, as is clear from the Balance Sheet, capital machinery and plant worth Rs. 18 lakhs in addition to investment of another Rs. 7 lakhs on building construction. The building which is to house the mechanised iron foundry is almost complete, the machinery, other plant is under erection. The only snag is that we have not so far received high-tension cables and switch-gear for purposes of installation in the foundry electric sub-station. This delay has been

caused because of the delay in the issue of relevant import licence. Immediately on receipt of this equipment the foundry will start functioning at full speed.

I have given you an account of my stewardship of the affairs of the Company and expressed my views on topical issues which directly or indirectly affect the course of industry in the country. It is for you to draw your own conclusions from the Annual Report the audited Balance Sheet and Profit and Loss Account for the year ending March 31, 1955. BECO is not merely a commercial concern which functions in the interest of a few hundred shareholders, a few thousand employees and their families. But during the last seven years of Pakistan's existence planning and drive has made it blossom into a national key industry. It now truly constitutes a national asset.

BECO turns out vital capital machinery and component parts, which in turn provide most useful and vital service in all the renowned manufacturing plants all over the country. We are, therefore, conscious that on our efficiency depends the smooth working of many industrial plants in the country. It is this realisation which makes us not only feel proud of our role in the task of industrial development and progress of the nation, but also gives us an impetus to work with ever-increasing zeal and enthusiasm to serve the interest of national economy.

As for me, all that I can promise is that I will continue to discharge my duties as your Managing Director to the best of my ability. I will spare no pains to promote the interests of the Company which you have entrusted to my charge. I seek God's grace and the co-operation of all concerned in the task of increasing the usefulness of the Company to the nation, its shareholders and those who are on its rolls. May God guide my steps on the right path.!

Mr. C.M.Latif lost in deep study.



Mr. Latif in China

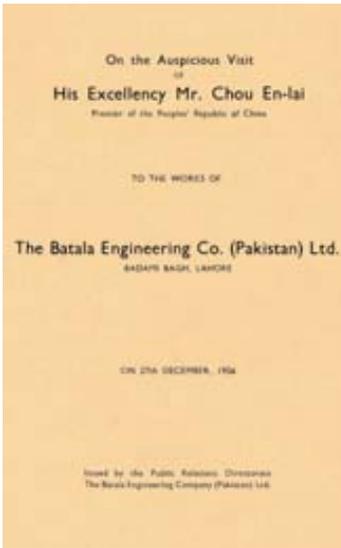


Mr. Latif in China. Mr. Bashir Bakhtiar, Pakistan's famous labour leader, is second from him.



Mr. Latif standing with Chinese Industry personnel at some site.

Chinese Prime Minister's Visit to Beco



This four page pamphlet was distributed on the visit of His Excellency Mr. Chou En-Lai. The pages are not being reproduced here as they pertain to the history of BECO up-to-date till the year 1956, which have already been narrated in this book, as no detailed documents were recovered for the period 1955-56, except that through this pamphlet it became known that the new mechanised foundry went into full production along with the electric furnaces. The pictures which were recovered are being reproduced below.

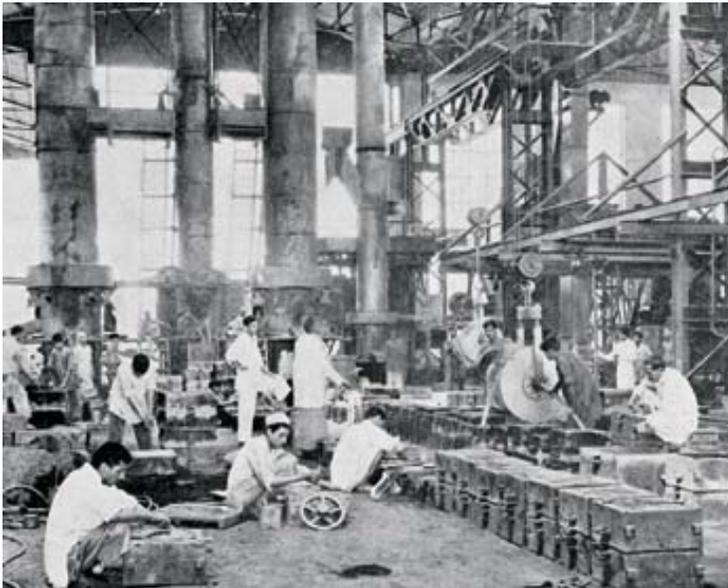
Welcome Address by Mr. C.M. Latif, Managing Director of the Bataala Engineering Co. (Pakistan) Ltd. to His Excellency Mr. Chou-En-Lai, Premier of the Peoples' Republic of China on the conclusion of his visit to BECO WORKS, Badami Bagh on the 27th Dec. 1956.

It is my proud privilege to welcome your Excellency and other members of your staff both on my behalf and that of the management and the workers on your auspicious visit to our works here. We shall treasure your visit this morning in our memory as a landmark in the history of BECO which will serve us to increase the momentum of our efforts towards still bigger achievements.

Your Excellency, we are a refugee concern having been forced to leave India all what we had built with unceasing toil and self-sacrifices in 14 years. We were ranked in the united India as one of the three biggest machine tools manufacturing concerns. We along with 95% workers who were Muslims had to leave our hearths and homes and start all over anew. What you have seen here is the result of hard work backed by proper planning during the last 8 years. Thank God, the matchless industry of our workers and sound planning have placed BECO once again at the top. Our Machine Tool Division is the biggest in this part of the world and we are constantly endeavouring to improve both the quality and output of our products.

It was my privilege to pay a visit to your great country in May this year and I was deeply impressed by what I saw there. I had the privilege of shaking hands with your Chairman. The great Chinese people under the inspiring leadership of your Chairman Mr. Mao Tse Tung and your dynamic guidance are taking giant strides towards industrial, agricultural, commercial and cultural progress. According to our Holy Prophet (pbuh), we are enjoined to seek knowledge even by going upto China. What I deeply appreciated in the life of China, was individual and national honesty. Everyone in China right from the Chairman down to the humblest peasant works with absolute honesty and that is what according to me is transforming China into a mighty force. Your Excellency! it is your personal example which is making China into a modern progressive and prosperous country.

While recently in Peking, Messrs China National Machinery Import Corporation negotiated with me to import a few Beco lathes which are now ready for despatch. They also promised to send a technical mission to the Beco Works to study on the spot our methods of production. I sincerely hope that Your Excellency will be able to help in expediting the anticipated visit of the proposed mission. Such exchanges will help to cement further relations between the industrial concerns of our respective countries.

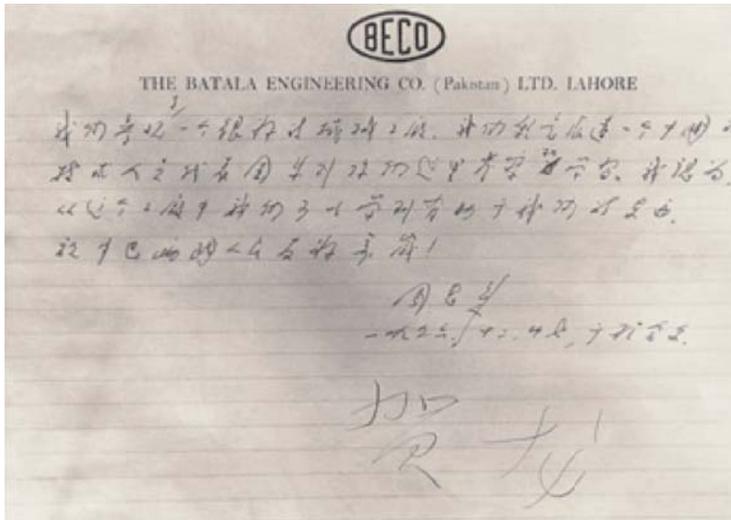


Mechanised Foundry



Electric Furnace

Baby Manzar Latif Welcoming the Chinese Premier



Remarks of His Excellency Chou-En-Lai, Premier and Ho-Lung, Vice-Premier of the People's Republic of China in the Visitors' Book of The Batala Engineering Company (Pakistan) Limited, at the time of their visit to the Badami Bagh Works of the Company.

TRANSLATION

"We have visited a very good engineering factory. We would send a delegation of Chinese technicians to your factory to study and to learn. I believe we can learn things that are helpful to us. I wish: Long live the friendship of the peoples of China and Pakistan."

Sd/- CHOU-EN-LAI, Premier

27th Dec. 1956, Lahore.

Sd/- HO-LUNG, Vice-Premier



Mr. Chou-En-Lai grasping hand of Mr. Manzar Latif (C.M. Latif's four years old son) in arms of Mr. Arif Latif (C.M. Latif's eldest son) after he has garlanded him at BECO Badami Bagh Works Main office. Mr. M.A. Gurmani the then Governor of West Pakistan is on Extreme Left.

Mr. Chou-En-Lai Going Round Beco



*Mr. Chou-En-Lai in the centre with the interpreter on his right walking through the Beco Badami Bagh Works.
Mr. C.M. Latif is second on the left and Mr. Sharif Choudri is on his right.*



*Mr. C.M. Latif explaining to Mr. Chou-En-Lai,
while holding a steel tool made at one of the
machines of Beco's Badami Bagh Works.*

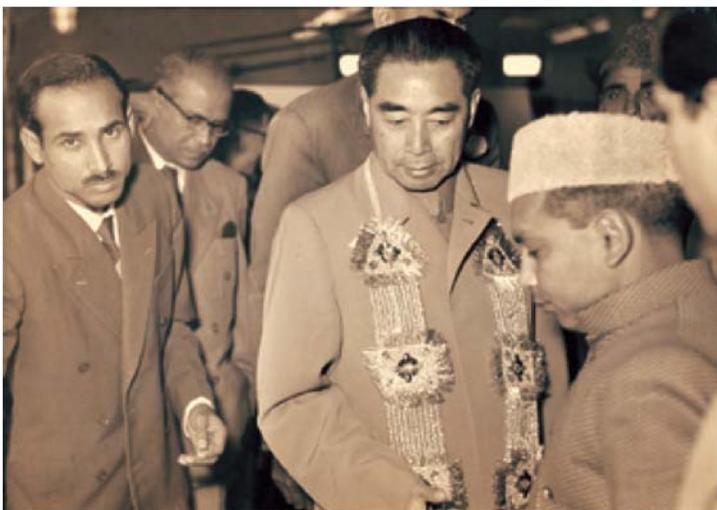


*Mr. C.M. Latif leaning towards the interpreter to explain
a point regarding the machine Mr. Chou-En-Lai is
observing at Beco's Badami Bagh Works.*

The Chinese Premier Showed Great Interest in Beco



Mr.C. M.Latif conversing with to Mr. Chou-En-Lai through his interpreter.



Mr. Chou-En-Lai, in the Designing Department, at Beco's Badami Bagh Works. Mr. Mehmood, Beco's Chief Engineer, is on his left.



Mr. Saeed Ahmed Ansari (Chief Designer) facing Mr. Chou-En-Lai, while Mr. C.M. Latif talking to the guest at Beco Designing Department, Badami Bagh Works.

DAWN Dated Dec. 28 1956, Clippings of Mr. Chou-En-Lai's Visit to Beco Badami Bagh Works

DAWN

Chou visits iron factory SPENDS BUSY DAY IN LAHORE

From Dawn Lahore Correspondent
LAHORE, Dec 27: The two-day visit of the Chinese Premier to Lahore concluded tonight at a well attended banquet given by the Provincial Government at Gymkhana Club. Later, he witnessed an impressive display of reworks.

Mr Chou En-lai today went through crowded programme which included visit to industrial concerns, historical monuments and a leading educational institution. He leaves foracca tomorrow morning where a rousing welcome awaits him.

In the morning Mr Chou went to see the Batala Engineering Works—Premier Iron and Steel factory in Pakistan—and showed keen interest in various departments of the factory. Mr Chou En-lai wrote in the visitors' book that his country would send a delegation of Chinese technicians to Pakistan "to learn from you." He said his party had visited "a very good engineering factory," adding: "I believe we can learn from this factory many things useful to us."

The visitors took special interest in the diesel engine pumping sets
(Continued on page 10, col 1)

Chou

(Continued from page 1)

mounted on trolleys which are used extensively in China for rice cultivation.

They also saw three lathes, an order for which had been placed with the firm by the China National Machinery Import Corporation. The lathes are now ready for despatch.

After seeing the various divisions Mr Chou En-lai remarked that the factory was the "cleanest and well organised" he had seen so far.

The Newspaper Clipping Reproduced Below is from the Daily (Pakistan Times) Lahore Edition



Mr. Chou En-lai (center) is being photographed in BECO Workshop which he visited on Thursday. To his right, the Principal of the Alhambra College. (Middle) Mr. Chou En-lai (center) is being photographed in BECO Workshop which he visited on Thursday. (Right) The Chinese Premier giving his autographs to a boy.—T.S.

CHINESE PREMIER VISITS BECO WORKSHOPS

Impressive band display at J.C.O.'s Club

(Continued from page 1, col 2) The other and girls who cheered on the party as it went round the Stadium. Mr. Chou En-lai, visited keen interest in the manufacture of machine tools and other engineering equipment. The Chinese Prime Minister signed the "Visitors' Book" in which he recorded: "We have signed a very good engineering workshop. We would like to send a delegation of technicians to learn from you. I think we can learn from this workshop many things useful to us. Long live the friendship between the people of China and Pakistan."

The Chinese Premier, Mr. Chou En-lai, and Marshal Ho Ling, accompanied a powerful display of fireworks at the close of a dinner given in their honor by the West Pakistan Government at Grosvenor Club. As the Prime Minister took tea in his car to leave the BECO, a large number of workers collected in the grounds to bid him farewell. They shouted slogans of Pakistan-China Friendship. Endeavor.

The route through the factory area in Badami Bagh was impressively lined with thousands of girls and Pakistanis and Chinese flags. "Water is the friend of fire," a saying of the Holy Prophet was prominently displayed at different places. A large number of girls lined up to bid him farewell as he took the exit of the road leading to the Grosvenor Road and cheered the

Prime Minister and cheered the girls. From the BECO the Prime Minister and his entourage drove to Jinnah's tomb at Shalimar, where he was received by the Deputy Commissioner, Sindhwar, and the Superintendent, Archaeological Department. The Prime Minister and Vice-Premier went round the shrine of the tomb. They also went up a minaret and spent about 10 minutes there. "A very good. It is beautiful," said Mr. Chou En-lai repeatedly in English, when he came down from the minaret and joined with the Chairman in the photographs. The Chinese Prime Minister and members of his party were warmly escorted by the members of the monument and thoroughly enjoyed their visit.

Mr. Chou En-lai paid Rs. 100 to the Municipality of the tomb. From there the party drove to his visit to the Central Museum and returned by the way of Lahore.

After seeing the main gate in the Grosvenor House, the Prime Minister drove to the J.C.O.'s Club at the Lahore Commercial to witness the band display.

From the Grosvenor House to the Club, school children stood on both sides of the road waving flags and shouting slogans. In front of the Club a kumbla stand bearing a picture of the visiting Prime Minister.

At the Club the Prime Minister was received by Lt. Gen. Mian and Asim Khan, G.O.C. Lahore Garrison. At the Prime Minister's

arrival, he was received by the Club, which included the British band playing the national. A large band struck the Chinese and Pakistan national anthems after Mr. Chou En-lai took his place at the leading line.

Several more bands struck from various quarters of the Pakistan Army gave display of musical events, which lasted for hour of hour. The ceremony was received

off to a short march-past to the right of the Grosvenor Hill. From the J.C.O. Club the Prime Minister and the Vice-Premier accompanied by the Governor went to inspect for a short time the Club and Begun Fort. The Prime Minister, the Governor and Begun Fort. The Governor

Mr.H.S.Suhrawardy, Prime Minister of Pakistan's Visit to Beco Badami Bagh.



Mr. C.M. Latif and Mr. Sharif Choudri, receiving the Prime Minister at Badmi Bagh Works.



Mr. C.M. Latif & Mr. Sharif Choudri explaining a trolley mounted diesel engine to the guest.



Mr. C.M. Latif & Sharif Choudri explaining a lathe machine to the guest.



M. Yusuf Bhatti (Assistant Foreman S.S.D Division) showing the guest a wheel of the diesel engine.

Some Visiting Dignitaries at Beco



Russian Delegation & M.D. Of KSB Pumps From West Germany



Delegation from Russia visiting Badami Bagh Works. In the background, the famous Beco Crane can be seen.



Mr. & Mrs. Sulzer, Managing Director of KSB Pumps, West Germany, visiting Beco in 1955-56.

Visit of the Nigerian Delegation & Federal Commerce Minister



Mr. M. Shafi, Beco's PRO, escorting a Nigerian delegation at Badami Bagh Works (date unknown).



These four pictures show Mr. Fazlur Rehman, Minister of Commerce, Govt of Pakistan, visiting Badami Bagh Works (date unknown).



Latif With Beco Staff in East Pakistan (Bangladesh)



Mr. C.M. Latif (middle) in East Pakistan (Dacca), with Beco's office Staff. Mr. Azariah, Branch Manager is third from right.



Mr. Ghulam Farooque, the Minister of Commerce and War Production in middle flanked by Mr. C.M. Latif and Mr. Sharif Choudri, inspecting a BECO lathe. (Date: 25.03.1957).

“Footprints on the Sands of Time”



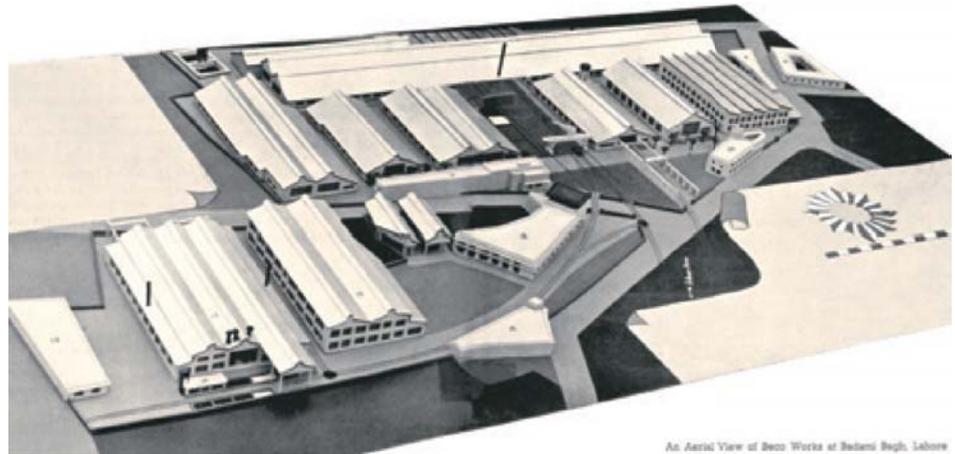
A very rare photograph of Mr. C.M. Latif. A scanned image of the lines at the back is reproduced below.

To MR. C.M. Latif
@ BECO.
Your footprints on the Sands
of time are visible even now.
From - B.A. Khan
116-G Model Town
Lahore.
Phone 854116

*“Your footprints on the sands
of time are visible even now”.*

from:-
Mr. B.A. Khan
(Originally associated with BECO- KSB Pump
Company and then Incharge of Beco-Pump Division)

Expansion in Bicycle Manufacturing



An Aerial View of Beco Works at Badami Bagh, Lahore

No more documents were recovered for the period 1956-57.

Above is a scanned image of 1958's address of Mr.C.M.Latif and the Aerial View of the Beco Badami Bagh Works at that time, showing the factories added since the last three years, from the map which is reproduced on page-94.

Extracts from this report are being reproduced to continue the narration of Beco's history and the product lines which were improved or added. Available pictures are added to the text where possible.

Future Expansion in Bicycle Manufacturing

Mr.C.M.Latif begins with disclosing his plans for the future expansion of the Company in the direction of **bicycle manufacturing**, which we now know went through at **Beco Kot-lakpat Works**, created in early 1960's. These pages are being reproduced completely, as it gives an insight into how planning was done and difficulties overcome.

I take this opportunity of placing before you some of the salient features of our planning and schemes for the manufacture of bicycles and textile looms in order to make Pakistan self-supporting in these two vital commodities. This will replace imports and thus save sizeable foreign exchange.

POSITION AT INDEPENDENCE

At the advent of Independence in August, 1947, there existed in whole of the pre-Partition India a capacity to manufacture 50,000 bicycles per annum. In later years, however, India took rapid strides in enlarging its capacity. From **1.2 lakh** bicycles manufactured in 1951, it reached a massive figure of 7 lakhs in 1957. Indian manufacturers have made **10 lakh** bicycles as their target figure for 1960. There are at present

nearly half a dozen organized bicycle manufacturing units in India with an annual capacity between one lakh to two lakh bicycles per unit. Besides these there are quite a large number of small units who feed the main organized units.

BECO'S PRESENT POSITION

As against this, in Pakistan there are only three small bicycle manufacturing units with a total **sanctioned capacity of 25,000 bicycles per annum**. These units are in existence for the last six years and their total annual production has never attained the sanctioned capacity. The main reason being that they mainly use their capacity and available raw material for manufacturing components and market them as spare parts instead of using them for assembling complete bicycles. The reason, obviously, is that the profit margin on the sale of spare parts is many times more than on the complete bicycles. Thus there is a very big gap between the demand of bicycles, which is poor man's mainstay for transport, and their supply with the result that there is a big black market in the imported bicycles. While the price of indigenous bicycles ranges between **Rs. 200 to Rs. 240**, those of the imported brands have soared higher than Rs. 400. It is interesting to remember that the control price of imported bicycles was not more than Rs. 200 in any case.

It was with a view to keeping a balance between demand and supply of this vital public necessity that the Government of Pakistan granted permission in 1953-54 to the Hyderabad Relief and Rehabilitation Trust, Karachi, to establish a bicycle plant at the Federal Capital with a total capacity of **one lakh bicycles per year**. Although four years have passed the Trust has not been able to install any bicycle manufacturing plant and has now virtually abandoned its plans.

Steady Rise in Demand for Bicycles

As stated earlier bicycle is poor man's transport especially those who work in factories and belong to the rural areas. This vast class of our people at present is facing a bicycle famine and due to non-availability of adequate transport countless working hours are lost annually.

IMPORTS: Keeping in view the importance of this industry and this being the top priority project for the economy of Pakistan, we decided to go ahead with this scheme. I give hereunder the details of imports into West Pakistan only of bicycles and bicycle accessories from 1951 to 1956:-

Year	Quantity		Value in Rupees
1951	1,17,424	Bicycles	75,92,443
		Accessories	23,58,716
		Total Value	99,51,159
1952	1,41,256	Bicycles	1,16,30,988
		Accessories	24,66,917
		Total Value	1,40,97,905
1953	?	Bicycles	?
		Accessories only	12,52,809
1954	15,863	Bicycles	11,29,091
		Accessories	6,20,330
		Total Value	17,49,421
1955	32,785	Bicycles	30,75,512
		Accessories	16,38,285
		Total Value	47,13,797
1956	26,978	Bicycles	21,46,036
		Accessories	18,52,711
		Total Value	49,98,747

PRESENT UNITS' POSITION: On learning of the BECO's bicycle manufacturing scheme, the existing three small bicycle manufacturing units, which are situated in the Provincial Capital, got unnecessarily alarmed. A hue and cry was raised without anybody applying his mind as to the exact implications of BECO's projected plan to manufacture bicycles to meet the growing demand and doing away with their imports. It was alleged on their behalf that their investment in the three units was Rs. one crore and that they had ample manufacturing facilities to meet the entire demand of the country. Both these claims are far from being true. These units which have been in existence for the last six years fully know as to their financial and technical resources, while the public at large knows the quality of their products, not to mention the bicycle traders who are the loudest in their protest against the well-known methods of these manufacturing units. **The fact that the Directorate of Supply and Development have not purchased so far a single locally-manufactured bicycle on Government account is an eloquent commentary on the quality and reputation of the indigenous product.**

It is significant indeed that when BECO announced their decision to undertake manufacture of bicycles, we received a flood of letters from all over the country, including the trade circles and the prospective consumers. They hailed our decision as of momentous nature and asked us for details, expressing their anxiety to know as to when we would be able to market the

BECO bicycle.

I am afraid the present opposition of the existing bicycle manufacturing units stems from a short-sighted business rivalry. If such pettifogging spirit had been allowed to receive recognition from the authorities, no progress would have ever been possible in any direction. The fact of the matter is that these existing units are nothing more than an attempt to meet a growing demand from the public by small-scale cottage manufacturers. They are lacking in organizational capabilities. Their financial resources and technical know-how are not equal to the gigantic problem in the form of large-scale production of bicycles to meet fully the internal demand. In fact the present manufacturers have not applied their mind at all to the implications of bringing into existence in Pakistan up to date and modern bicycle manufacturing plants capable of turning out dependable and first rate products.

PROPOSED UNITS' ROLE AND DEMAND

The proposed unit will supply to the existing units their requirements in parts which are at present on their import list. With improvement in the quality of locally manufactured bicycles, there is bound to be a restoration of the public confidence in the Pakistan-made bicycles which is at present singularly lacking. A healthy competition between really efficient units is in the best interests of the economy of the country. The BECO has always believed in the past and continues to do so that the competitive co-existence is in the best interest of industry and the public.

Even according to a conservative estimate, the annual requirement of bicycles in West Pakistan alone is one lakh. With the economic life developing fast and middle class becoming time-conscious, the demand for bicycles is fast growing and is bound to go up from year to year. The increased demand can only be met by coordinated efforts of old and new manufacturers.

I have a parallel in mind in respect of the diesel engine industry. When the BECO started diesel engine manufacturing five years ago there existed about 100 big and small engine manufacturing concerns. They had the same misgivings and raised identical objections. But after five years of large scale production of diesel engines, they are all happy and satisfied as to the results. **The sale of each one of the diesel engine manufacturing concern, has gone up. The Government has given protection to the industry and has also increased raw material allocation ceiling. Similarly, the consumers have also benefited because of improvement in design and quality and competitive prices.**

Competition & Survival of the Fittest

While advocating the necessity of establishing a new unit for manufacturing bicycles, I am not unmindful of the difficulties and the problems which the existing units face. As a matter of fact, I admire the courage for their efforts to render to the community a vital service even though they are handicapped by a comparative lack of financial resources and technical know-how. But they should realise that any attempt on their part at monopolistic control of bicycle manufacturing is neither in their own interest nor in the interest of the country's economy as a whole. **They must give up their primitive outlook in adhering to old and antiquated methods and must imbibe the modern scientific spirit which believes in competition and survival of the fittest.**

THE FINANCIAL DETAILS: Now with regard to the installation of our plant, I must refer to its financial implications with regard to capital machinery and working capital, etc. It is estimated that the capital-machinery and the building to house it will cost a total of about Rs. 5 million while another Rs. 5 million will be required as working capital. The plant will produce bicycles as under depending, of course, on the amount of raw material available. I am perfectly satisfied in my mind that the proposed unit will be absolutely economical with an annual production of 50,000 bicycles or even less. In the first year 100 bicycles per day, in the second year 200 bicycles per day, and in the third year 300 bicycles per day.

Side by side with the manufacture of bicycles, we will also undertake manufacture of 50 Moped (auto-cycle) a month. Moped is a heavier type of bicycle with a small petrol engine mounted on it. We have already entered into a technical tie-up for four years with the largest dutch bicycle manufacturing firm.

To come down to the brass tacks with respect to the cost, etc., I will say that at present the cost of imported Raleigh bicycle is £11-11-6 and that of Hercules £ 8-10 C. and F. Karachi. It works out at an average of £ 10 per imported bicycle, which is equivalent to about Rs. 134 per bicycle. Our provisional estimate is that we will be importing the entire raw material falling under Parts I, II, III and IV of the ITC Schedule, including some ready components, as under:-

In the 1st year of manufacture at	Rs. 50 per bicycle;
In the 2nd year of manufacture at	Rs. 40 per bicycle;
In the 3rd year of manufacture at	Rs. 33 per bicycle.

It is understood that according to D. G. S. & D. Formula, the indigenous manufacturers are, at present, issued licences on the basis which works out in the neighbourhood of Rs. 65 per bicycle. It is thus clear that the initial foreign exchange spent for the import of machinery and plant will almost be recovered entirely through foreign exchange saving by manufacturing 40,000 bicycles in the first fourteen months of the plant's operation. It works out like this:

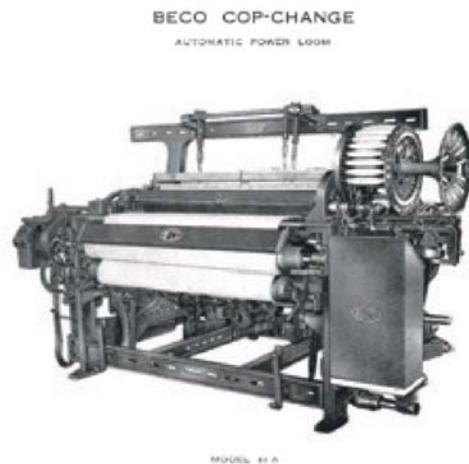
Cost of imported bicycle	£ 10
Cost of raw material needed.....	£ 4
Saving per bicycle.....	£ 6 or in other words, on 40,000 bicycles a saving of £ 240,000 would have been made.

Imported bicycles are subject to Rs. 25 as Customs Duty plus 10% Sales Tax. Our estimate of the sale price in the retail market of the bicycle to be manufactured by us, which incidentally will be 100% equivalent in quality with the best imported bicycles, will compare favourably with the cost of imported bicycle in the first year. It will be progressively reduced during the second and third year as production increases.

As mentioned on page 109, no detailed text documents were recovered of the last 3 years. Similar is the case while looking forward till the year 1962. Therefore, the photographs of products which were developed in these years will be added at this stage of the history.

Below is a picture of the front view of one of the first prototype automatic copy-change power textile looms which Beco had added to its line of productions.

In the following pages Mr .C.M. Latif narrates about this product and how it was launched.



Textile Looms & Their Spare Parts

The importance which Government and the textile industry attached to the manufacture of textile looms and spare parts, was fully reflected in a series of meetings which took place from 1955 onwards in quick succession. A meeting of the Central Cotton Textile Advisory Committee was held in Lahore on December, 19 and 20 in 1955, under the chairmanship of Mr. Abbas Khaleeli, (picture on page 88) the then Secretary, Ministry of Industries. The Committee took a formal decision with regard to the installation of a textile loom manufacturing plant. After giving their careful consideration to the connected problems the Committee directed the Managing Director of the Batala Engineering Company, Mr. C. M. Latif, "to submit a plan in proper form for the unit sponsored by his organisation to the Ministry of Industries".

Another meeting after about two months, i.e. on February 18, 1956, was held under the chairmanship of Mr. M. M. Farooki, Deputy Director General (Development), in which the representatives of the Textile Millowners' Association and the Textile Commissioner participated. The meeting was apprised of vital statistics regarding the textile industry and it was disclosed as follows:--

	Installed	Under Installation	Ordered	Total
Spindles	16,85,936	1,07,988	1,80,216	19,74,140
Looms	25,716	1,532	1,349	28,597

COMMITTEE'S DECISION

The Committee's decision in their own words was as follows: "Pursuant to the recommendations of the Textile Advisory Committee which met last at Lahore, we calculated the total loom demands of the country on the basis of 720 looms to 25,000 spindles. Thus the loomage based on a total capacity of 1974 million spindles worked out to 57,000 looms. The difference between this figure and the total capacity installed in the country, under installation and ordered, placed the loomage required at 28,403. This, we indicated, was the minimum loom potential in the country, to the exclusion of spare parts demand and requirements of small scale units".

Besides looms, the total demand of Kiers and Jiggers was assessed by the Textile Commissioner's representative at 950 and 8,800 respectively. It was also stated that an appreciable number of many other ancillary equipment like automatic pilers, washing machines, etc., were also in demand by the textile mills and should be manufactured locally.

LATIF'S VISIT TO JAPAN

This was followed by another meeting on March 13, 1956 when it was formally resolved that the Batala Engineering Company Ltd., should manufacture Cop-change Automatic Loom and with this end in view should enter into a technical tie-up with some Japanese firm.

It was explained on behalf of the Representative of the Textile Millowners Association that 90% looms in the world were of Cop-change Type. Shuttle Change Type, it was explained, was considerably less in demand. In Pakistan a majority of the mills had installed Shuttle Change Type looms. It was further explained that the Shuttle Change looms, although cheaper than the Cop-change looms, were less efficient and consequently more expensive in operation. It was urged that Cop-change looms although a bit more expensive, besides other advantages, involved less maintenance charges. It was in the light of these observations that I visited Japan in April, 1956 to finalise a technical tie-up with M/s. Enshu Weaving Machinery Co. Ltd., Japan. Thus a concrete step has been taken by the Beco in the direction of making Pakistan self-supporting in the textile loom manufacturing industry.



Mr. C. M. Latif in Japan.

In the meantime yet another meeting comprising the representatives of the Pakistan Textile Millowners' Association and the Directorate of Development and Directorate of Textile (Technical) was held on July 25, 1956 under the chairmanship of the then Deputy Director General (Development). It was at this meeting that final approval of a technical agreement between Ms. Enshu Weaving Machinery Co. Ltd., Hamamatsu, Japan and the Beco for the manufacture of Cop-Change Automatic Type Sakamoto Loom was given. It was further resolved that the proposal be submitted to the Central Permission Committee for general approval.

The Beco Loom Scheme

Consequently the Central Permission Committee, meeting towards the end of the year 1956, sanctioned part remittance of fee in foreign exchange to the Japanese firm with which the Beco had entered into a technical tie-up.

THE SCHEME RESANCTIONED

In the meantime industries subject was transferred to the provinces, involving the planning of the scheme once again before the Provincial Permission Committee. This Committee accorded its sanction on March 19, 1957 and then forwarded the scheme to the Central Permission Committee.

It is relevant to remember that Government had accorded sanction to various textile mills in Pakistan for installation of 39,500 looms to match with the installed spindleage of 1.974 millions. This is based on 500 looms per 25,000 spindles. It is self-evident that the balance of 11,003 looms is still to be installed. As has been mentioned earlier, according to the demand of the textile millowners and the recommendations of the Textile Committee, if the loom demand of the country was calculated on the basis of 720 looms to 25,000 spindles, the number of looms required to cover the present spindleage comes to 57,000 instead of 39,500. It is also essential to remember that due to a steep fall in our foreign exchange earnings, Central authorities had imposed a ban on the import of looms in 1955. One way to earn increased foreign exchange is to step up our export of coarse and medium cloth. If we export these varieties of cloth instead of yarn we earn outright 20 to 30% more foreign exchange. It is, therefore, self-evident that there is an immediate need to increase the weaving capacity, at least on the formula of 500 looms to 25,000 spindles.

LOOM IMPORTS

Now let us look at this problem from another angle. In spite of a ban on the import of looms in 1955, import licences for Rs. 24 lakhs and Rs. 9.83 lakhs were issued for import of looms in West Pakistan and East Pakistan respectively in 1957. In 1958 licences already issued in the first shipping period (Rs. 22 lakhs) plus those likely to be issued in the second shipping period in West Pakistan and East Pakistan will total at least the same amount as those issued in 1957. In other words, it means that steps are being taken to gradually install, in both wings of the country, sanctioned number of looms.

Similarly, for the import of textile machinery spare parts import licences for Rs. 40 lakhs were issued during the first shipping period in 1957 for West Pakistan. Import Licences for Karachi and East Pakistan

for the same amount must also have been issued. In other words import licences to the tune of at least Rs. 80 lakhs are being issued per shipping period for importing spare parts for the textile industry.

BECO'S LOOM SCHEME

The Beco is eminently in a fit position to undertake the supply of these vital goods to the textile industry. Our Scheme is to start a new division at our Badami Bagh Works which will undertake manufacture of looms and spare parts, Kiers, Jiggers, washing machines and other spare parts. Similarly, we would be able to manufacture at our proposed division ancillary machinery required by the textile industry.

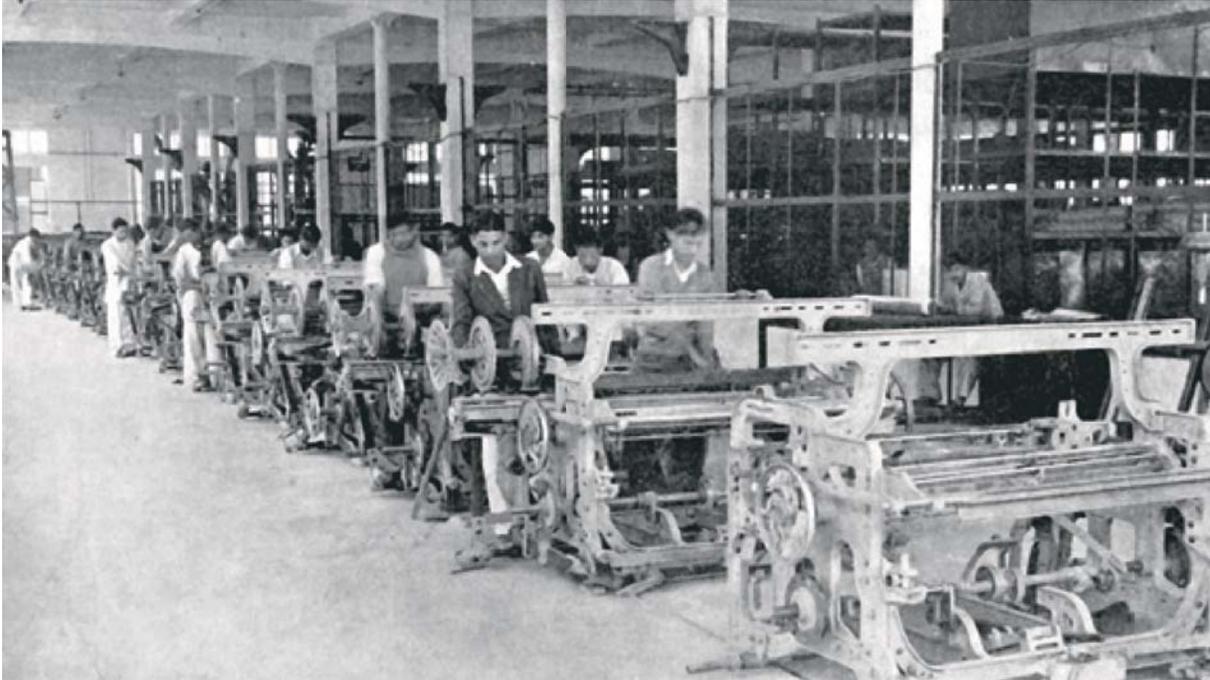
With our resources and the technical know-how available to us through a tie-up with a Japanese firm, we shall be in a position to undertake manufacture of 1,000 looms annually to begin with. This could be easily raised to 2,000 looms annually as the demand grows. About 80% of the parts and components of the looms consist of grey iron casting for which we have ample capacity in our semi-mechanised foundry. All that is required is to supplement our foundry by a few more machines. The estimated cost of plant and machinery, jigs, tools, gauges, etc., is Rs. 20 lakhs. The following table will show the foreign exchange savings which could be effected if we are allowed to go ahead:

C. & F. cost of 20,000 imported looms at Rs. 3,000 each	... Rs. 6 crores.
Cost of entire imported raw material, components and accessories needed to manufacture 20,000 looms by us	... Rs. 2 crores.
Net saving of foreign exchange	... Rs. 4 crores.

MISSED OPPORTUNITY: If a sum of equivalent to the import licences issued during 1957 and 1958 for the import of looms could have been made available to us, we would have been in a position to place at the disposal of Textile Industry 6,000 looms. We would have manufactured 1,000 looms per year for six years or 2,000 looms per year for three years.

If out of this Rs. 60 lakhs foreign exchange only Rs. 40 lakhs had been spent on raw material to produce 4,000 looms, the balance of Rs. 20 lakhs saved could have been spent on the total foreign exchange needed for the import of plant and machinery.

When this new division comes to full production, I am confident that besides meeting the entire looms demand, this will be able to manufacture at least 20% spare parts requirements of the textile industry. As stated before, 16 million rupees are being spent annually for importing them.



The Loom Shop which finally came into existence some time in the year 1957-58.

THE NATIONAL TRAGEDY: In the face of the undisputed facts, it is nothing short of a national tragedy that no steps have been taken to give encouragement and priority for the installation of such a vital unit. The establishment of such a unit would not only be a matter of national pride but would also provide employment to an army of workers, besides conserving the much - needed foreign exchange. As against this, the licences for the import of plant and machinery for manufacturing many non essential items were recklessly issued during 1957 and 1958. The new units were neither essential nor those which conserved any appreciable foreign exchange. We made every possible attempt to bring home to the authorities the absolute necessity of setting up the proposed plant for the manufacture of looms, etc. Although verbal assurances came from the Director of Industries yet no concrete step was taken during 1957. When we made further representations to the Provincial and Central authorities we were assured that our requirement would receive proper attention at the time of making allocations of 10 million dollars I.C.A. Machinery Aid. The I. C. A. Authorities, however, did not agree to the inclusion of textile machinery manufacturing plant out of that grant.

A little later, however, when there was a change in the Central Government the I. C. A. allocations were diverted for other bulk purchases and the Pakistan

Government made available from their own resources, the equivalent of I. C. A. machinery aid to finance the import of capital machinery. We had hopes that our demand for importing the requisite capital machinery would receive priority consideration under the new allocations. But, alas, this time again we were ignored to accommodate even far less important schemes.

OUR CONTINUED EFFORTS: Left with no other alternative we were told by the Industries, Commerce and Finance Ministry authorities to go in search for a loan from the International financial institutions to finance the import of capital machinery for textile industry as well as for the import of capital equipment for our Bicycle Project. I accordingly left for Europe on December 18, 1957 and after finalising a technical tie-up with a Dutch bicycle manufacturer proceeded to U.S.A. After protracted negotiations arrangements for a loan of one million dollars were finalised. This was, of course, subject to the final authorisation by the Pakistan Government.

I returned to Karachi on March 30, 1958 and personally approached all concerned at the Federal capital. In spite of everybody agreeing that the schemes were in the best interest of the nation and promises of priority, little progress seems to have been made during the last four months by way of the authorities showing green signal to the financial institution in America.

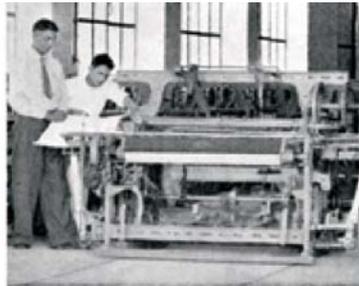
Misconceptions Regarding Engineering Industry

I may also mention here that these two schemes have the full support of the Planning Board and were included in the list of the industries which were approved for installation during the short term one-year plan, by the high powered committee consisting of representatives of both provincial and federal Governments.

These few months have been a period of paradoxes for us. On the one hand it is being exhorted at the highest level to increase production especially of articles which are imported from overseas to save foreign exchange. Similarly, authoritative pronouncements are made inviting foreign capital. But when foreign capital is secured on the terms approved by the Government, final authorisation is delayed.

Textile Machinery Division

To meet the growing demand of the Textile Industry in Pakistan, the Textile Machinery Division of this Company manufactures Automatic and Non-Automatic Power Looms in different sizes ranging from 44 inches upto 56 inches. Each machine is tested carefully before handing it over to the Customer.



Another picture of the Loom Shop inspection site.

Both of our schemes are fully approved by the experts on technical, commercial and on top priority grounds. The foreign exchange to be spent on the plant and machinery is to be paid from the saving effected by the difference in the cost of exchange spent at present on finished imported articles and the exchange to be spent on imported raw material for the first two years.

Regarding the recurring foreign exchange needed for imported raw material, all what is needed is to make available the foreign exchange being spent at present on the routine annual imports of these articles.

IMPORTANCE OF ENGINEERING INDUSTRY

Finally, I must refer to a popular misconception regarding the engineering industry. Due to a strange process of reasoning there are some persons in authority who have come to regard engineering industry as a drag on the country's economy rather than an asset to it. This is a most unfortunate and erroneous impression that has been created in authoritative circles. **The fact of the**

matter is that an engineering industry is vital to the growth of healthy industrial life of a country.

In spite of certain unforeseen failures that afflicted a few engineering concerns in Pakistan and their failure to satisfy hopes that their installations had originally kindled in public mind, engineering industry remains a great asset to the industrial life of the nation. **The right approach should be to assess each one of the engineering units on their own merit and utility to the community.**

In England, West Germany and many other industrialised nations, the engineering industry receives top priority both from the government and the public. It is number one on their export lists and consequently the top foreign exchange earner for the respective countries. Pakistan authorities will do well to promote and protect the interest of the engineering industry so that the pace of industrialisation in the country could be quickened in the best interests of all.

It is thus clear that production and sale of machinery items, other than rolled steel, has been steadily increasing and this year its volume has trebled compared to 1955-56. This improvement in turn-over has been achieved solely through an expansion in production of these items as there has been little change in their sale price compared to the previous year.

We have in hand orders to the tune -of Rs. 1,20,00,000 and are confident that the sales during the present year will also be very encouraging, specially in view of our having started manufacture of new articles in our different divisions.

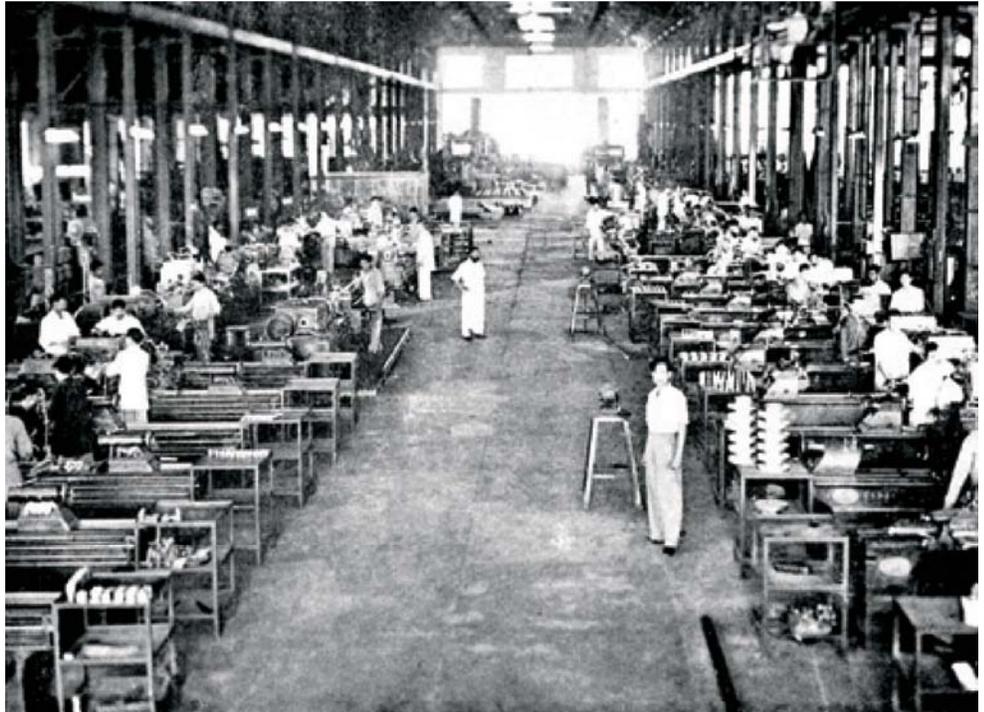
TURN-OVER						
I give below a comparison of sale figures of various Manufacturing Divisions for the last three years :—						
	1955-56		1956-57		1957-58	
1. Rolling Mill & Steel Works Products	1,41,17,278	15 6	1,98,03,741	15 6	275,79,608	8 6
2. Foundry Products	5,26,207	4 9	9,39,835	3 3	15,35,995	10 6
3. Machine Tools	17,78,170	2 0	22,47,855	4 0	30,95,205	12 0
4. Slow Speed Diesel Engines.	8,46,588	4 0	18,72,093	3 0	24,62,428	3 0
5. High Speed Diesel Engines.	...		5,54,183	0 0	29,31,251	14 0
6. Agricultural Implements	6,58,588	13 0	12,79,126	11 0	26,38,949	13 6
7. Fabricated Steel Goods	10,99,694	8 0	6,35,777	9 6	19,21,281	0 0
8. Tubewell Accessories	2,64,178	9 0	7,24,321	8 0	10,59,418	7 6
	1,92,90,706	8 3	2,80,56,934	6 3	4,32,24,139	5 0
Consolidated sale items 2 to 8	51,73,427	8 9	82,53,192	6 3	156,44,530	12 6

Mr. C.M. Latif's report of year 1958 continues. But we will be adding many product pictures with it, some of which were not developed at the time but were added later to the production line in the next year or two.

Mr. Latif writes I now give brief divisionwise production progress report as follows:

MACHINE TOOLS DIVISION

During the year under review the modern shop organisation with piece work, material control and cost accounting, which was under preparation during the financial year 1956-57, has been implemented. After some teething trouble, specially marked by a token strike on the enforcement of piece work in April, 1957, the system has proved to be a complete success. Production figures, which before could only be obtained with double shift and uncontrolled application of overtime, have now reached the ordinary single shift. Workers are earning wages on average 50% more than before and are really happy with conditions. Different batches of machines are produced since the introduction of new system and accurate costs are now known for each component as well as for complete machine. Towards the end of the year attempt was made to introduce piece work in the Sub-Assembly Section and it is hoped that this step will also eventually meet with success. Both our executive and administrative staff in the shop have proved fit to implement the task which hitherto had been considered impossible to achieve under local conditions.



Machine Tools Division

Backed by 20 years of technical experience and having well equipped Shops run by efficient engineers this Division is producing basic machine tools on several lines. Besides meeting the demand of home industry these machines are exported to neighbouring countries. To the growth and development of Machine Tools Industry in Pakistan, this is by far the most important contribution.

This Division produces the following machine tools.

BECO Heavy Duty Centre Lathe	Model CL305
BECO Heavy Duty Centre Lathe	Model CL250
BECO Heavy Duty Centre Lathe	Model CL200
BECO Heavy Duty Head Lathe	Model HL200
BECO High Speed Centre Lathe	Model CL160
BECO General Purpose Lathe	Model BE165
BECO Precision Bench Lathe	Model BL115
BECO Heavy Duty Shaping Machine	Model SH460
BECO Heavy Duty Drilling Machine	Model UD50
BECO High Speed Drilling Machine	Model PD20

The above picture and details have been taken from the booklet, "An Introduction to BECO", printed in the year 1960. Out of the product list mentioned above, Models BE165, CL250, SH460, similar to UD50, PD20 earlier models UD38, PD16 and BL115 pictures are on pages-49,58,59,70 respectively. Pictures for Model HS 160 is reproduced below and Models CL305, CL200, CL160, are on the next page. Model TL 25 is reproduced on page 121. Picture for Model HL 200 is not available.

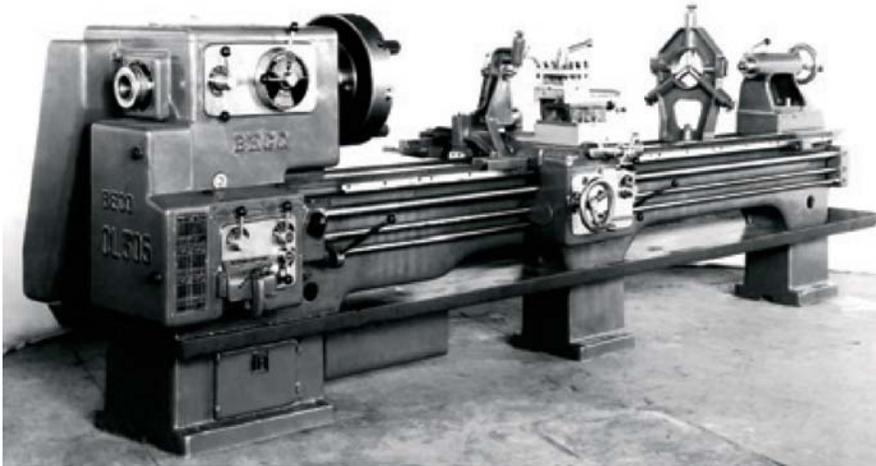
BECO Heavy Luty Hack Sawing Machine Model HS 160

A high speed Hacksaw for quick and smooth cutting.

Maximum Cutting capacity	...	200 mm	8"
No. of Strokes per minute	...	100	
Length of Stroke	...	160 mm	6 5/16"
Motor power	...	2 H. P.	



Beco Models CL 305, CL 200, CL 160



BECO Heavy Duty Centre Lathe Model CL 305.

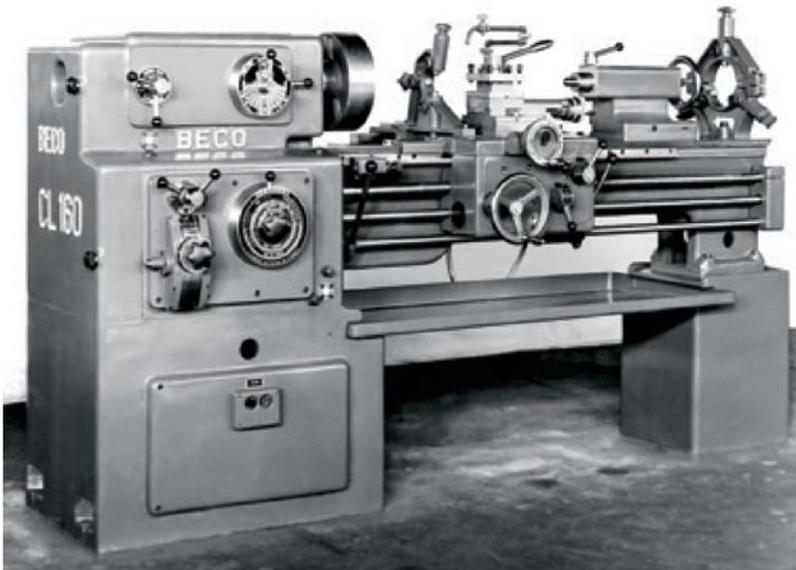
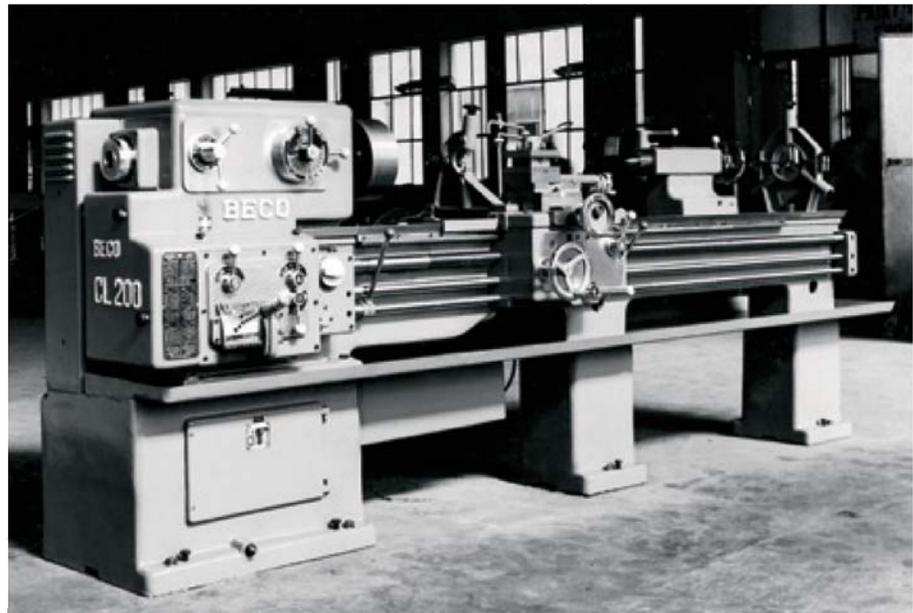
Strong and rigid for the roughing operation; accurate and precise for the finishing operation.

Centre height	...	305 mm	12"
Swing over Bed	...	670 mm	26 1/2"
Distance between centres :			
	Size I	1800 mm	5'-11"
	Size II	2500 mm	8'-2 1/2"
	Size III	3500 mm	11'-6"
No. of Spindle speeds	...	8	
Range of Spindle speeds	...	27-650 R.P.M.	
Motor power	...	7.5 H.P.	

BECO Heavy Duty Centre Lathe Model CL 200.

A self-contained precision Lathe specially designed for the utilisation of greater power and higher speeds.

Centre height	...	200 mm	7 7/8"
Swing over Bed	...	450 mm	17 1/4"
Distance between centres :			
	Size I	1250 mm	4'-1"
	Size II	1800 mm	5'-11"
	Size III	2500 mm	8'-3"
No. of Spindle speeds	...	12	
Range of Spindle speeds	...	17-750 R.P.M.	
Motor power	...	5 H.P.	



BECO High Speed Lathe Model CL 160.

A high speed tool room precision Lathe with centralised controls.

Centre height	...	160 mm	6 3/16"
Swing over Bed	...	370 mm	14 9/16"
Distance between Centres :			
	Size I	900 mm	2'-11 7/16"
	Size II	1250 mm	4'-1 1/4"
	Size III	1800 mm	5'-11"
No. of Spindle speeds	...	12	
Range of Spindle	...	22-1000 R.P.M. or 31-1400 R.P.M.	
Motor power	...	3 H.P.	



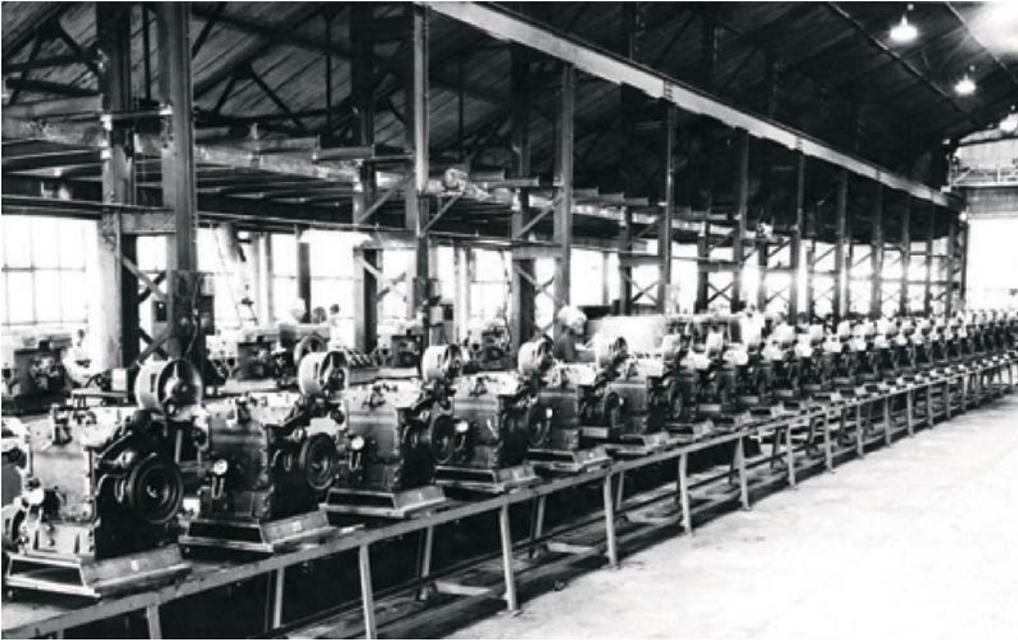
A view of Machining Section of Machine Tool Division. Produces lathes, drilling machines, shaping machines, turrets of different types and sizes.

BECO High Speed Turret Lathe Model TL 25.

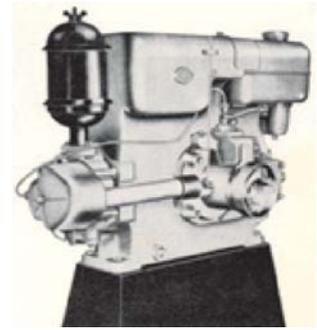
A most modern and advanced Turret Lathe for mass production of small parts.

Maximum bar size	...	25 mm	1"
Centre height	...	115 mm	4 1/2"
No. of Spindle speeds (pre-selective)		9	
Range of Spindle speeds	...	250-1600 R.P.M.	
Motor power max. (Three speeds)		2 H.P.	

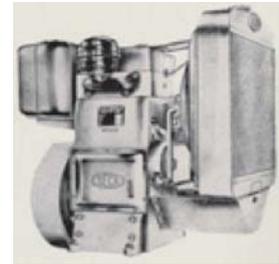




Assembly Section of vertical air-cooled 15 H.P. 2 cylinder high speed diesel engine, PV 2A Model.



The earlier model.

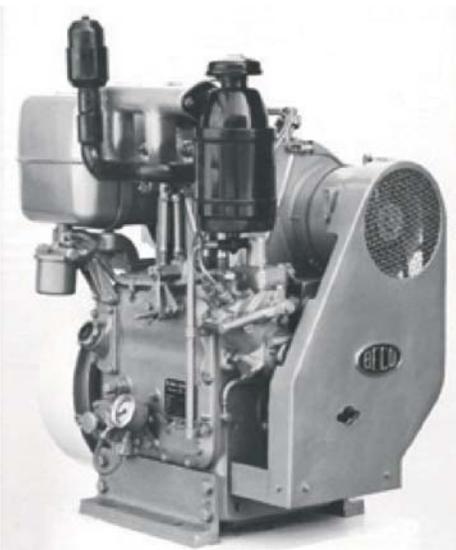


The earlier model.

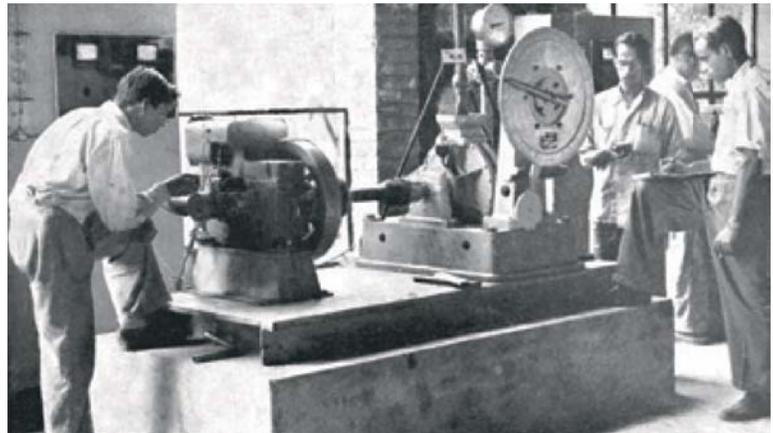
SLOW SPEED DIESEL ENGINE SHOP

After the success for the new shop organisation in the Machine Tool Shop, the system was also introduced in this department. All five types of engines

are now produced under the new organisation scheme. The introduction of piece work system in the Assembly Shop has been taken in hand. When one walks through this shop one is highly impressed by the modern production methods and the material flow.



The later model of PV2A.



After assembly, each engine is 'run in' tested.

HIGH SPEED DIESEL ENGINE SHOP

During the year under review, this division went into full production. The new shop organisation was introduced right from the beginning. Some new equipment was received and set up. It is a great pleasure to see the new single purpose machinery is in action. The equipment set up allows for a production of one engine per hour. This capacity is not utilised at present. The reasons are: short supply of raw materials and lack of adequate orders. We are hopeful that the capacity of this shop will be fully utilised when large Government orders, connected with the food production in the country are received. The supply of 850 Mobile Pumping Sets driven by high speed engines for the low lift irrigation scheme for East Pakistan, was one of the outstanding features.

BECO High Speed Vertical Air-Cooled Diesel Engine Model PV 2A

A totally enclosed, self contained unit for Pumping Sets, Generators and Welding Sets and an efficient prime mover for Farm Tractors and fishing boats.

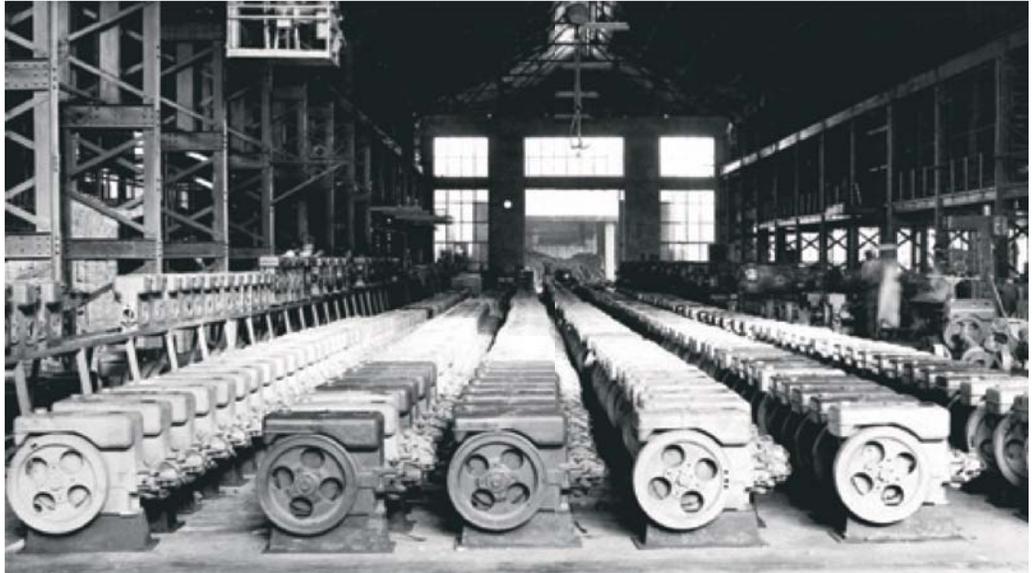
No. of Cylinders 2
Output - full load 16 H.P.
Rated Speed 1500 R.P.M.
Fuel Consumption 0.4 lbs/BHP/hour + 10%

It has already been announced that vertical two-cylinder high speed engine has been developed by us and prototype of this engine produced in this department. This engine, with maximum 18 H. P., can be used for quite a range of applications, such as pumping sets, marine drive for

fishing boats, small river crafts, power generating welding sets, vehicle drive, building machinery, small agricultural tractors and light road rollers, etc. We hope and expect that this achievement will open an entirely new line for engineering and other industry in the country.



BECO High Speed Horizontal Diesel Engine Model MH 1
 A simple and reliable unit for Pumping Sets, Concrete Mixers etc.
 Output - full load... 7.5 H. P.
 Rated Speed ... 1500 R.P.M.
 Fuel Consumption ... 0.4 lbs./BHP/hour $\pm 10\%$

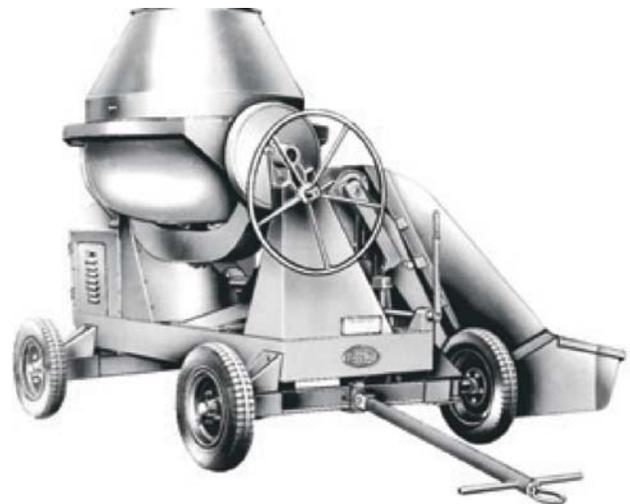


The later model of MH 1.

A view of the Model MH 1 section of the shop.

**GENERAL ENGINEERING DEPARTMENT
 (Concrete Mixers)**

This department is still far from being consolidated. It has not been possible to provide the shop with the machinery which had been planned for it. The department had to enlist the assistance of other departments and due to this dependence did not do so well as we envisaged. I am glad to say that shortly the shop will obtain the required equipment.



One of the models first developed between the period 1955-58.



A view of this department's assembly line.

BECO Tilting Drum Concrete Model CM 7T.
 An efficient and totally enclosed Mixer for thoroughly mixed wet or dry concrete, mortar, plaster etc.
 Capacity : Unmixed ... 285 litres—10 cft.
 Mixed ... 200 litres—7 cft.
 Drive ... Diesel Engine or Electric Motor of 7.5 H.P. at 1460 R.P.M.

Various Views of the Concrete Mixer Section



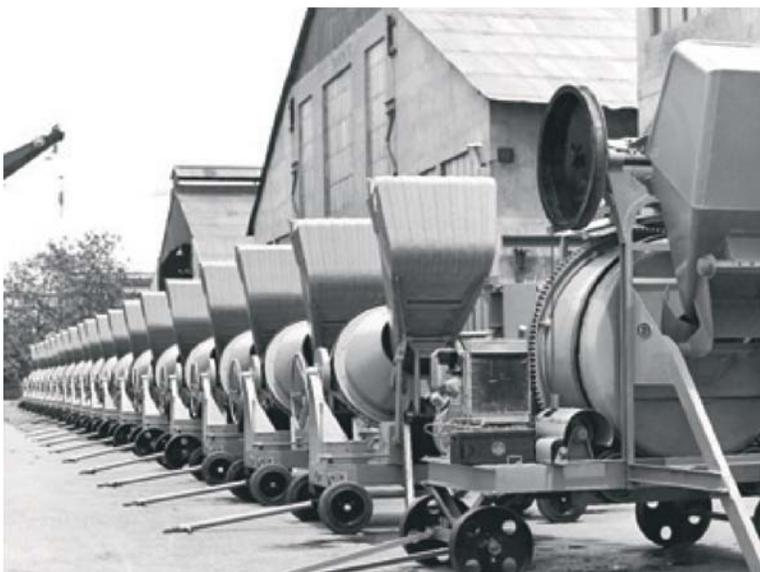
It has been decided that the newly designed Concrete Mixers will be manufactured in this Department. Two proto-types of the Concrete Mixers produced had successfully overcome teething troubles and passed the trial tests. The batch production of Concrete Mixers has been taken in hand recently. There is demand for hundreds of these Concrete Mixers in the country and all these years Pakistan had been importing them from abroad at the cost of huge foreign exchange. It is hoped that with the installation of the remaining machinery and arrival of the standard parts and outfit for the Concrete Mixers, these will be in full production in a few months.

The two pictures on the left depict the various views of the Concrete Mixer Section as it developed in the General Engineering Department.

The third picture below on the left, is of the mixers ready for delivery outside the works.



BECO Heavy Duty Non-Tilting Drum Concrete Mixer Model CH 1062.
 A heavy duty batch type mixer of robust design for big construction projects.
 Capacity: Unmixed — 400 litres - 24 cu. ft.
 Mixed — 400 litres - 17 cu. ft.
 Drive — Diesel Engine or Electric Motor of 15 H.P. or 1400 K.P.H.



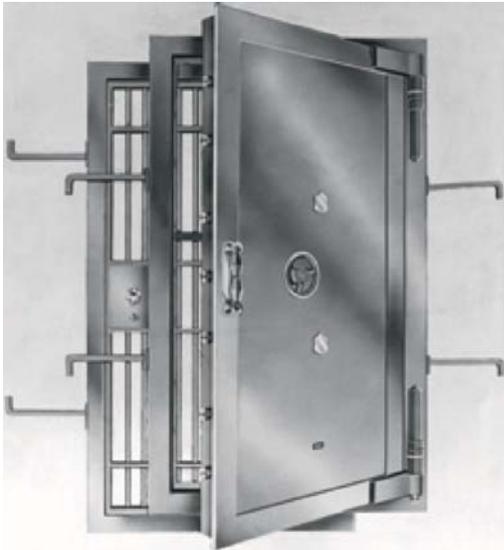
BECO Non-Tilting Revolving Drum Concrete Mixer Model CH 1078.
 A fast and efficient Mixer, small in size but in ability to meet the requirements of small contracting jobs of the Building Industry.
 Capacity: Unmixed — 200 litres - 7 cu. ft.
 Mixed — 140 litres - 5 cu. ft.
 Drive — Diesel Engine 7.5 H.P. or Electric Motor 5 H.P. or 1400 K.P.H.

THE STRUCTURAL DEPARTMENT

This department has been very busy throughout the whole year in executing different orders in hand. The shop, with great efforts has been able to produce 1000 transmission towers (picture on page 68) during the month of March, 1957. The Regulators for Gudu Barrage which we hoped to complete during the year under review, could not be taken in hand because technical details of the design have not been finalised by the department. It is hoped that very soon the department will finalise the design. In view of the experience this year, it is now definitely established that the impending expansion of this department must be completed soon. The new shop under construction will be completed and additional machinery and outfit installed.



Canal Regulator Gates of Gudu Barrage, manufactured by Beco.



The Strong Room Door, a Beco Product.

The galvanising plant which is needed for the production of transmission towers is also a very essential item. We are starting in this shop the manufacture of bank safes and other steel furniture. Initial order for 182 safes (picture on page 93) and 29 steel almirahs costing Rs. 3.70 lakhs, has been placed with us by the National Bank of Pakistan. We expect further large orders from other sources.



Canal Regulator Gates of Trimmu Sidhna Link, one of the Indus Basin Projects, manufactured by Beco.

LOOM SHOP

Keeping in view what I have stated in detail regarding the textile looms and their spare parts scheme, we have set up a pilot plant in the building of Textile Machinery Division. It was completed last year. Most of the machinery installed is self-manufactured. The prototype automatic cop-change loom was produced and is on trial for the last five months. A batch of 10 looms is nearing completion and will be offered to different textile mills for endurance trial run. The manufacture of second batch of 50 looms will now be taken in hand.



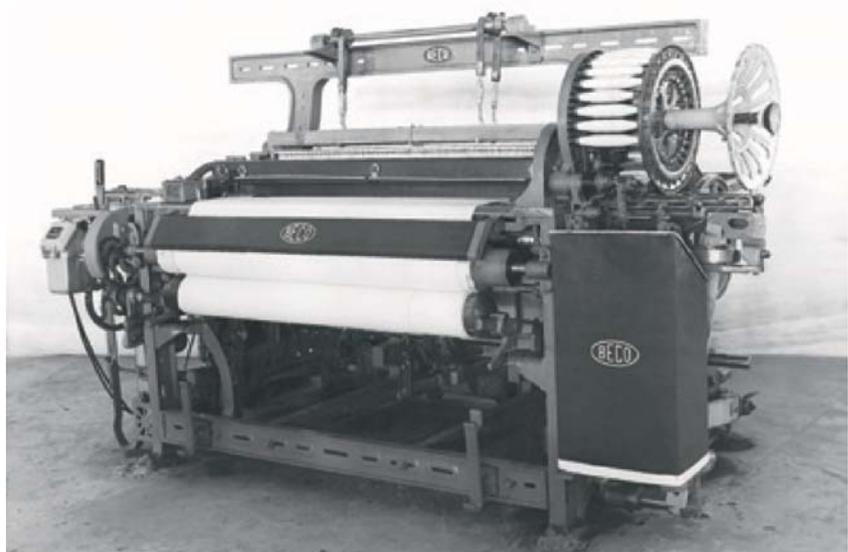
Mr. Latif with a visiting delegation.

Present Success Due to Genuine Cooperation

BECO Cop-change Automatic Power Looms.

Efficient looms for weaving various kinds of cloth, such as cotton, staple and fibre from coarse to fine counts of yarn.

Manufactured in three different sizes 44, 52, 56 inches, reed space for left and right hand operation.



This Beco Cop-change Loom was ultimately dis-continued and a loom under the design with a Japanese firm by the name of Iwama was introduced in the 1960's. Pictures will follow in later pages.

Before, closing Mr.C.M.Latif's report of 1958, we reproduce below a section of problems which were being faced due to the Industries Department of West Pakistan and its Director.

“This masterly inactivity on the part of the Government which, incidentally, has been taken by the Director of Industries as an encouragement for his acts of vandalism and favouritism has created a deadlock with serious repercussions to the industrial and commercial life of the province. I do not know what we can do beyond tapping the existing constitutional, legal and democratic methods to bring home to those concerned the seriousness of the situation. I wish the higher authorities were more responsive to the general dissatisfaction which prevails in this regard amongst the industrial and commercial community of the province”.

Coming back nearer home Dr. Usmani has been paying his special attention to Beco which, incidentally was described by the successive Prime Ministers of Pakistan and the distinguished visitors from abroad, as "a pride of Pakistan and a great national asset." The Director of Industries has been doing whatever possible to harm Beco.

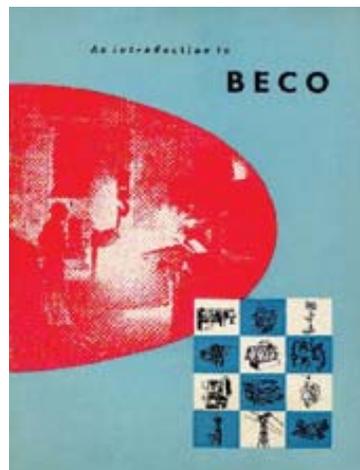
PRIDE AND GLORY FOR THE YOUNG NATION

Given below are Mr. C.M.Latif's closing remarks:

“I have given you an account of my stewardship of the affairs of the Company. You can judge for yourself, both from the Annual Report and the audited Balance Sheet and Profit and Loss Account for the year

ending March 31, 1958, as to the position Beco occupies in Pakistan. The present success of the Company is due to genuine co-operation between the management, executive and the workers of all grades, as also because of the confidence which our shareholders repose in me as their Managing Director. Ours is like a family in which each member contributes his full share towards the well being of all. This cooperation, I assure you with the Grace of God, will remain a hallmark of our Company in the years to come.

As for me, I can say only this much that I regard myself as a humble servant of the Company. I have never spared myself in the past nor shall I ever do so in the future or those connected with the Company in the interest of building it up to still higher heights, so that it shall continue to be "a source of pride and glory for our young nation.”



Many pictures reproduced in these pages until now were also extracted from the booklet, "An Introduction to Beco", printed in the 1960's.

What has been written in the foregoing gets a more clear meaning in time frame from the following reproduction of the 1960's Booklet.

In August 1953 the BECO had a tie-up with a German firm (Klein, Schanslin and Becker) for the production of centrifugal and deep-well turbine pumps. Following the withdrawal of the German Partner in April, 1959, the 49% shares of the BECO-KSB Pump Manufacturing Company limited were acquired by the Company. The BECO has now entered into a tie-up with the famous American pump manufacturing co., Jacuzzi Bros. Inc., of San Francisco, California.

Prompted by an increasing demand for diesel engines, a manufacturing division for high speed diesel engines was set up in 1956 and then mass production of high speed diesel engines of 8 h. p. was taken in hand. The BECO has a tie-up with Farryman Co., who are reputed German manufacturers of H.S. diesel engines. Of late, two new units have been added to the works. One is a General Engineering Department which has successfully undertaken the mass production of diesel as well as electrically driven concrete-mixers. In addition, it is manufacturing standard agricultural implements and various categories of mechanical parts. The other unit is set up for the production of power looms. At present only 100 looms are manufactured every month, but the unit has a capacity to produce 150 looms per month. A scheme to meet the growing demand of country's textile industry in respect of additional looms as well as spindles is under consideration.

Details of three new divisions since 1956, namely, High Speed Diesel Engines, Concrete Mixers and Power Looms have already been added in the earlier pages of this book. This impressive expansion within the BECO Works has been achieved under the direction of the BECO's General Manager, now Sales Director, Mr. M. Sharif Choudri, who first joined the Company in 1940, having qualified as a civil engineer from Sheffield in 1930. Recently Vice Admiral H. M. Siddiq Choudri, H. Pk., M.B.E., having retired from the Navy after 28 years of service including 6 years as its Commander-in-Chief, has joined the Company as its Resident Director.

FRUITS OF COLLECTIVE ENTERPRISE

The policy pursued by the Company is determined by its Board of Directors which is reshuffled from time to time. Headed by Mr. C. M. Latif, the Board at present includes Mr. A.G. Khan, Chairman of the Karachi Electric Supply Company, Mr. A.R. Khan of Mardan, Mr. M. Sharif Choudri, Vice-Admiral H.M. Siddiq Choudri and Ch. Abdul Karim.

The Company's shareholders run into a very large number. There are many among them who depend entirely upon their BECO investments for their very sustenance. Indeed, the Company has been able consistently to afford handsome dividends not by exacting fat profits on the goods marketed but by its massive turnover coupled with a parallel reduction in overhead expenses and operating costs.

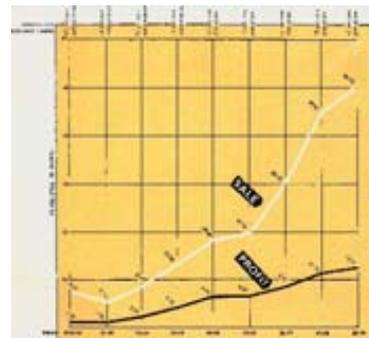
Thus it will be seen that the BECO derives its strength from the fact of its being a collective enterprise at all levels. It owes its prosperity to its efficient administrative personnel, its skilled engineers and technicians and its loyal workers and craftsmen. They have coordinated their effort at all times and pooled their energies on all occasions towards the achievement of a common cause.

Some 5,000 workers employed by the Company constitute the backbone of its manufacturing units. Much of the raw material with which they work is imported but even so it claims only 40% of the cost of production. This means a saving of 60 percent in terms of foreign exchange. Thus the Company is not only helping to augment the country's foreign exchange reserves but is also making the nation self sufficient in the goods produced by it.

Beco-A Symbol of Unity, Faith & Discipline

These are just the broad outlines of the BECO story as it has unfolded itself through the years. The opportunities of further expansion will give the Company a stronger foot-hold on the future of the engineering industry. When the plans already under way are finally executed, the Company will be assured of a greater promise within the sphere of its operation. The measure of progress attained already strengthens the belief that a more magnificent chapter of the BECO history is still to be written.

During the last thirteen years of its existence in Pakistan the Company has rapidly grown into a huge steel and engineering organisation, whose works occupy an area of 40 acres approximately and have numerous shops, divisions and departments to its credit. From the financial position and also from the rate of dividends can be gauged the strength, stability and utility of the company. This has been due mainly to increased production and improved quality some relevant figures for which are given below.



BECO IS IN FACT SYMBOL OF WHAT UNITY, FAITH AND DISCIPLINE CAN ACHIEVE.

In the year 1960, Beco had the following divisions and departments:

- (1) Designing Department
- (2) Machine Tools Division
- (3) Diesel Engine Division
 - (a) Slow Speed Engine Department
 - (b) High Speed Engine Department
- (4) Textile Machinery Department
- (5) General Engineering Department
- (6) Central Tool Shop
- (7) Steel Works
- (8) Steel Mills
- (9) Structural Department
- (10) Pump Division
- (11) Agricultural Implements Depart:
- (12) Foundry - Ferrous and Non Ferrous
- (13) Sheet Processing Department
- (14) Heat Treatment Department

The period of 1950's will be closed with the following information on Central Tools and Pumps Shop.

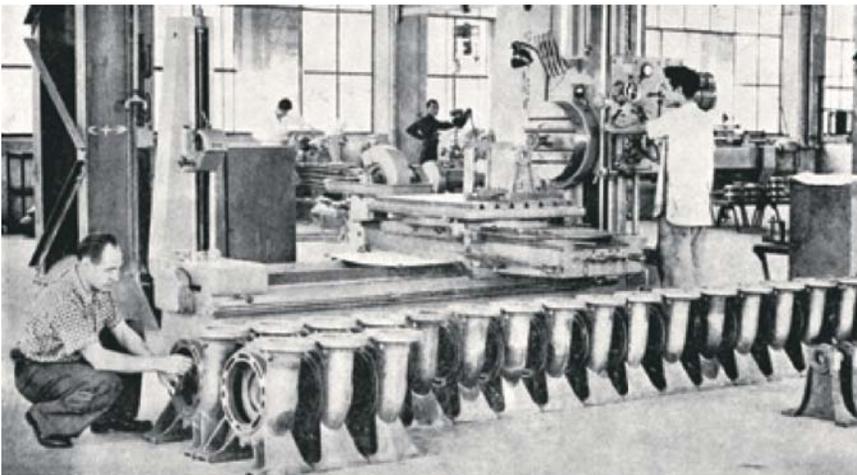
Pump Division's position in early 1960's.



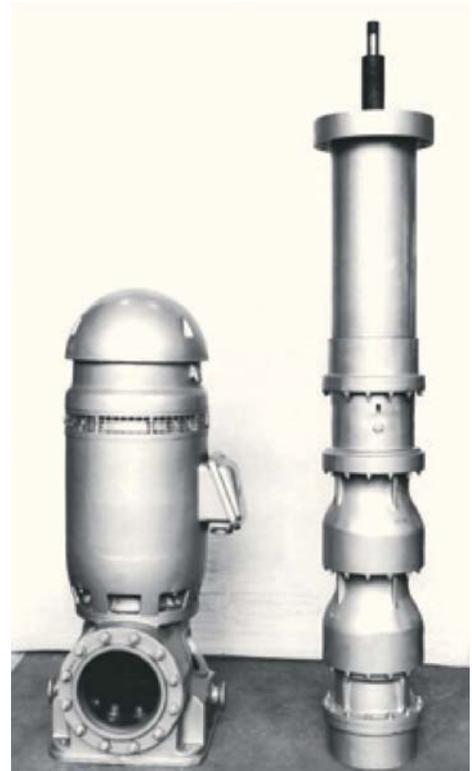
A Beco pump attached to a Beco high speed vertical air-cooled diesel engine at work.

Under a recent tie-up with M/s Jacuzzi Bros. of U.S.A., BECO has started making oil lubricated deep-well turbine pumps in addition to the existing range of water

lubricated turbines. These help, besides irrigation, in solving the water logging and salinity problems.



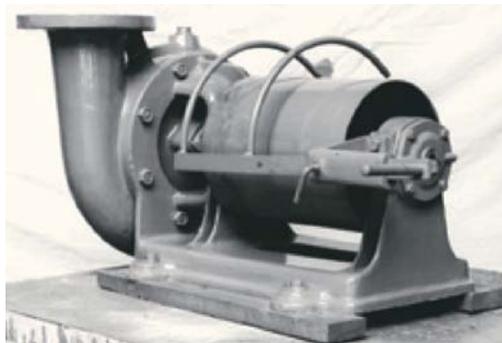
A very large part of the country's demand for diesel and power-driven pumps is met by BECO by manufacturing both centrifugal and turbine pumps of different capacities.



BECO Belt Driven Centrifugal Pumps.

Strong and rigid Pumps suitable for flat belts drive.

Produced in 6 different sizes from 5 to 8 inches delivery, medium and high lift range to give 0.6 to 4 Cusecs discharge and 16 to 110 feet Head.



BECO Lineshaft Turbine Pumps — Oil or Water Lubricated.

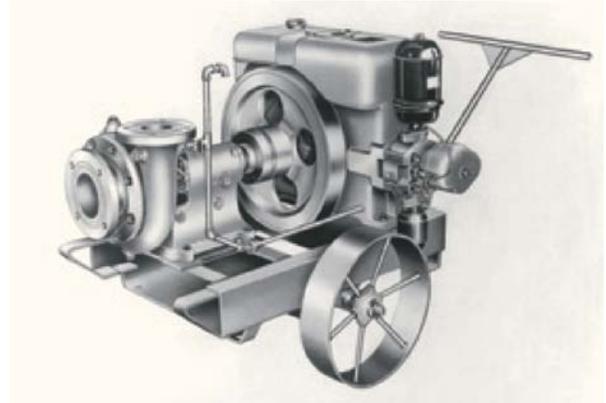
Robust and efficient Pumps, suitable for large scale Industrial and Agricultural undertakings, salinity control and water supply projects.

Manufactured in 8, 10, 12, and 14 inch Bore hole sizes and upto 6 Cusecs discharge capacity.



On the right is the
Beco Pumping Set
Model PC 125
L+PV 2A.

On the left is the
Beco Pumping Set
Model PC
100L+MH 1.

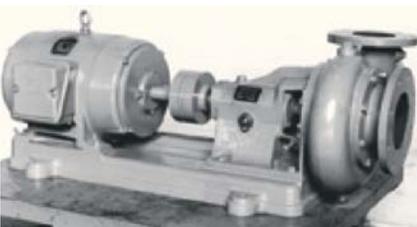


BECO Pumping Set Model PC 125 L+PV 2A
One of the powerful and portable units specially developed for big discharge and efficient service.

	PC 125 L+PV2A	PC 130 L+PV2A
Suction End	6"	8"
Discharge End	5"	6"
Discharge capacity range	0.8 to 2.8 Cusecs.	1.5 - 4.1 Cusecs.
Head range	22-30 ft.	20-30 ft.
Speed	1500 R. P. M.	1500 R. P. M.
Engine power	16 H. P.	16 H. P.

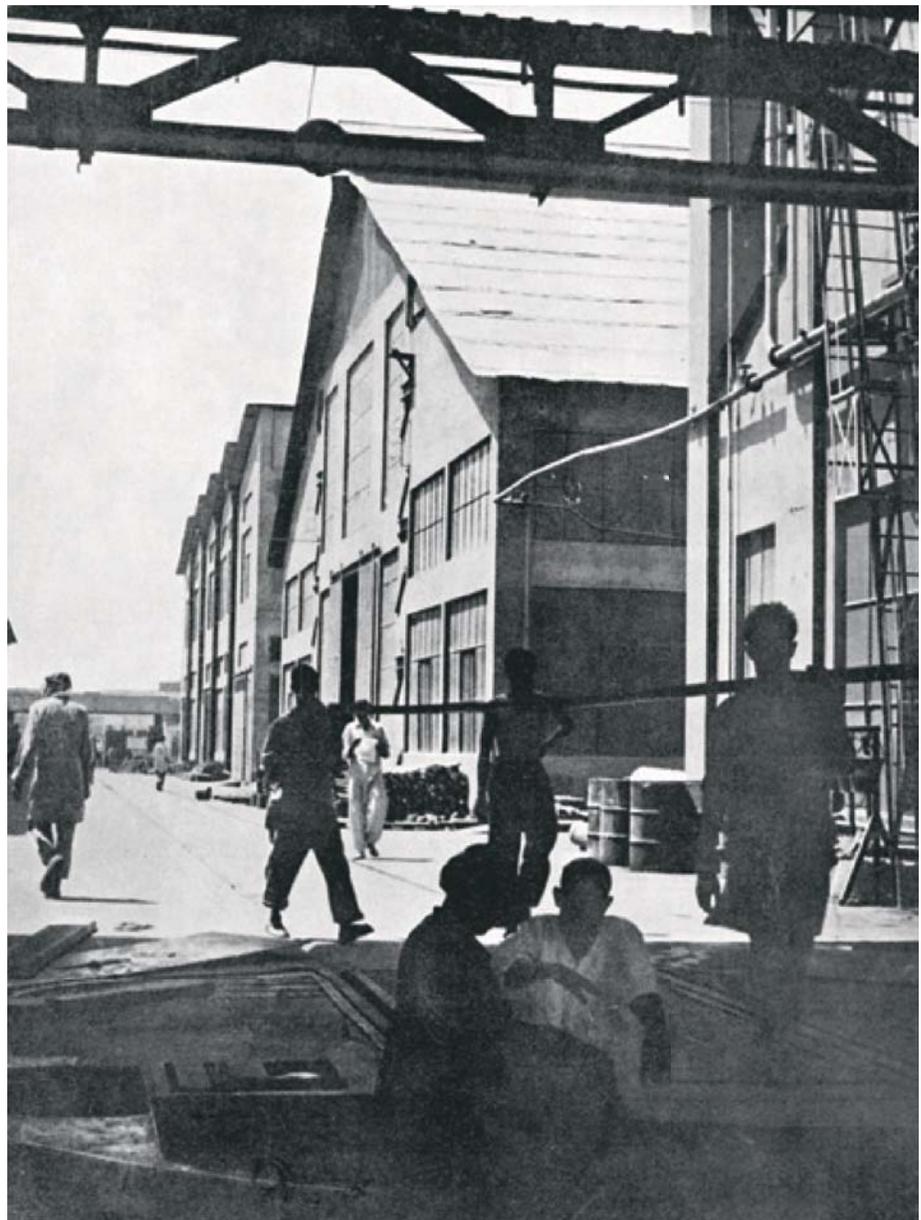
BECO Pumping Set Model PC 100L+MH 1
A self contained, portable unit suitable for low lift irrigation and dewatering schemes.

Suction End	5"
Discharge End	4"
Discharge capacity range	0.4 to 1.4 Cusecs
Head range	25 - 46 feet.
Speed	1500 R.P.M.
Engine power	7.5 H.P.

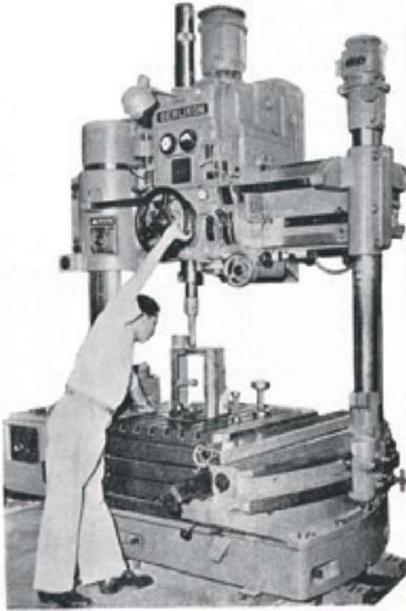


BECO Centrifugal Pumps — for low, medium and high lift.
Specially developed for Irrigation, Industry, Construction and Drainage works.
Manufactured to meet a wide range of head and discharge requirements in different sizes from 3 to 8 inches delivery.

Picture on the right is a side view of a section of the Badami Bagh Works as it was in the 1950's.



Central Tool Shop



Jigs, fixtures, tools and gauges play an important part in the production of machinery. Equipped with special tool dressing and Jig boring machines this shop is responsible for supplying tools and gauges to all production departments. To meet the exacting and varied demand of industry BECO produces different types of turning tools, boring beads, milling heads and many others in this department.

In addition to this production programme, special attention is given to the manufacture of Jigs and fixtures for various machines and different operations.



A view of a section of the Central Tool Shop.



BECO CARBIDE TIPPED CUTTING TOOLS

Production of Carbide Tipped Tools by Beco has granted freedom to the industry to a great extent from import and foreign exchange worries.



Governor Akhtar Hussain Visiting Beco



*Mr. Akhtar Hussain, Governor. Visiting Beco Badami Bagh Works on 16th Feb, 1959.
Mr. C.M. Latif explaining the functions of a lathe machine.*

The 227th anniversary of the birthday of President George Washington and the 150th anniversary of the birthday of President Abraham Lincoln were celebrated in Lahore on February 22, 1959 at the residence of US Consul General, Dr

Andrew V. Corry. An exhibit on the life of President Lincoln was also on display. BECO Chief, C.M.Latif, talking to USOM Chief James S. Killen. Dr Swenson P. Stanley, Chief of Washington State College Group is standing in the middle.



Washington and Lincoln Birthday Celebrations in Lahore.

From Beco Machines to Pakistan Navy Ship

From henceforth we take a short leave of tools and machines and apportion some pages for the equally glorious landmarks in the all-too wondrous history of Beco by presenting a pictorial narration of the brilliant naval career and contributions of Mr. Siddiq Choudri. As announced on page 127 he joined the Company after his retirement from the Pakistan Navy.



Simulated picture of first ship HMIS Lawrence which Admiral Siddiq commanded.



Lt. H.M.S. Choudri in Naval Uniform, May, 1937.

During his 28 years service in the Navy he held various appointments on shore and afloat, including command of several naval ships and shore establishments.

During the 1939-45 World War he saw active service in command of ships in the Persian Gulf, Red Sea, the Indian and Pacific Oceans. One of the ships he was commanding, namely H.M.I.S. Parvati, took part in the recapture of Berbera in the then British Somali Land. Soon after this operation the ship struck mines and sank while attacking the nearby port of Assab in the Red Sea.

It just took 1-1/2 minutes for the ship to sink. Fortunately only 13 lives were lost. Siddiq Choudri was picked up and taken to Aden. For his exemplary leadership and courage he was awarded the MBE by the British Government. At that time his designation was Lt.Cdr.



Simulated picture of the sinking Parvati.

Vice-Admiral Siddiq's Naval Services

Following is a write-up by Vice-Admiral H.M.S. Choudri, published in the PIMA magazine, dated August, 1995.

When Siddiq Commanded the Godavari

The Godavari was an anti-air craft frigate/sloop with six twin mounted four inch anti-aircraft guns and other weaponry. Built in U.K., it was well known in the RIN. It was commissioned on 22 June, 1943 with Commander J. W. Jefford of RIN in command. He later became Vice Admiral and CNS and C-in-C RPN until I succeeded him as the first Pakistani CNS and C-in-C Pakistan Navy in 1953. Before coming out to India the Godavari served in the Atlantic under British C-in-C Western Approaches when King George VI paid her a visit on board and hoisted his Royal standard at Masthead. This reminds me of my visit to U.K. in 1937 on the occasion of King George VI's coronation as officer incharge RIN contingent. We went to London in H.M.I.S. Indus which took part in the Spithead review of Commonwealth war ships off Portsmouth. Before the review the Indus paid a visit to London. She was berthed near the Tower Bridge in the river Thames. The small RIN contingent, including myself, left the Indus and was accommodated under canvas in Hampton Court Park along with the other Indian contingent members. The celebrations included a very long march in the streets of London in full ceremonial uniform Dress No.1 which I had to buy especially for this occasion as Blue No.1 uniform (picture on page-128). It is not very often worn and consequently it is not compulsory for all officers to own it. In the end I went to Buckingham Palace alongwith other members of the Indian contingent to the coronation where we received coronation medals.

I had the honour of commanding HMIS Godavari during the 1939-45 war. This was my third seagoing ship command during the World War II. The first was HMIS Lawrence based on Bahrain in the Persian Gulf in the

beginning of the war. My second command was HMIS Parvati based on Aden in the Red Sea. Parvati took part in the successful combined operation to recapture Berbera in the British Somali Land in North Africa by landing the 1st, 2nd and 3rd battalions of the 15th Punjab Regiment. Later the Parvati was sunk by mines while attacking the port of Assab in company with New Zealand cruiser Sirius.

I took over command of Godavari in Feb., 1945 from Cdr A.B. Goord RIN in Bombay where the ship had just completed her long refit. Soon after assuming command we were assigned duty with the British Royal Navy in the Eastern and Far Eastern theatres of war. We were based on Colombo to start with. About that time the



H.M.S. Choudri on the bridge of the Godavari.



PN Ship Sind (Former Godavari).

Japanese Navy attacked the Bay of Bengal in full force sinking a large number of merchant ships as well as R.N. war ships off Trincomale. The Japanese naval fleet swept the Bay of Bengal from south to north and sank about 48 ships in 24 hours. Some people were sunk twice and thrice on that day. The Colombo harbour also came under Japanese aerial bombardment.

Vice-Admiral Siddiq's Marriage

After about 6 months duty in the Eastern War Theatre the Godavari returned to Bombay where I got married on 7th Oct 1945, (picture on page 24). Three days after my marriage, the Godavari was ordered to proceed to the Far East. I left my wife with her sister and brother-in-law, Dr. Nazir Ahmed, who was incharge of the Cotton Research Laboratory at Matunga just outside Bombay.



Pictures pertaining to the marriage reception on board HMIS Godavari in Bombay.

On the way to Hong Kong the Godavari was given the honour to lead and thus be the first Allied war ship to enter Singapore harbour after Admiral Lord Mountbatten, the Supreme Commander South East Asia Command, who had taken the surrender from the Japanese. The surrender ceremony took place on shore in Singapore. We received Japanese swords as mementos of the occasion. The Japanese minesweepers swept the entrance channel into Singapore harbour in front of us as the Godavari, entered into the harbour followed by other allied naval ships.

Based in Hong Kong we patrolled the sea between Hong Kong and Shanghai for safety of merchant ships. I remember an incident in Shanghai wherein my Electrical

Officer, Lt Dodi, a very fair looking Parsi, was mistaken for an American navy officer by an anti-American Chinese crowd and beaten up by them when he went ashore for recreation. The poor fellow had another mishap when he accompanied me to the Island of Okhinawa where I went to call on the American General Marshal. This time Lt Dodi stepped on a wooden plank of the old Landing Jetty which broke thus injuring his leg. During our sea patrol in the China Sea we ran into a very rough storm in the night in the Manila Bay. The ship rolled so badly that my Supply Officer, Lt Balak Ram, rolled off his bunk and broke his nose! He visited Karachi some years ago as part of an Indian lawyers delegation (Having taken up law after the Navy) to a seminar held there. I was pleasantly surprised and happy to meet him.

No Mutiny at Vice-Admiral Siddiq's Ship



H.M.S. Choudri at his desk on the ship Godavari, after his marriage, (photo from the booklet "To Honour the Memory of Vice Admiral H.M.S. Choudri").

At the end of our duty in the China Seas we visited Tokyo and Toba Bay in Japan which was occupied by Allied forces after the surrender. Toba Bay used to be famous for artificial pearls industry. Many Officers and men bought pearls in exchange for cigarettes and chocolates at ship's canteen. Japanese Yen had become worthless after they lost the war. On the way back from Japan we brought a Japanese General as a prisoner of war. One of the officer's cabin in Godavari was used as a cell with the top half of the cabin door removed so that the sentry posted outside the cabin could see the General all the time to prevent any mishaps. The Japanese General was quite friendly. He said to me "don't worry Commander I will not commit suicide". While chatting with him he further said, "we Japanese have lost the war but I am sorry for other Asian countries like Indonesia, etc. who have lost a chance to gain their freedom from the West and become independent".

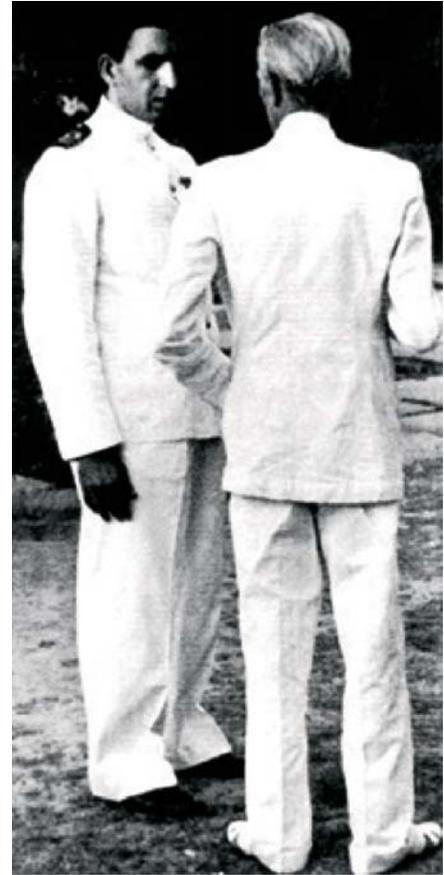
NO MUTINY ON THE GODAVARI

Having completed our duty in the Pacific we were on our way back from Singapore when we learnt through ship's radio about the mutiny in the R.I.N. The atmosphere on board became tense. Some ratings who wanted to join the mutiny wrote "Inqalab Zindabad' (long live revolution) on the lockers and ship's bulkheads during the darkness of the night. I did not

order to remove the slogans but instead decided to discuss the issue of the mutiny openly with my officers and men to determine whether we should also join the mutineers as some of the ship's staff obviously wanted to do judging by the slogans chalked on the bulkheads. After detailed discussions with the officers, CPOs and POs I cleared lower deck and spoke to the ship's company. I told them that I was as much of a patriot as any of them and will certainly join them if there was consensus in favour of joining the mutiny. I advised them to think in such a way that the officers and ratings should keep together unlike other ships and shore establishments in the R.I.N. where the men had gone on mutiny and officers had not. After further discussions we decided that, though we agreed with the causes of the mutiny as broadcast on the radio, it was against the reputation of a disciplined force to get involved in a mutiny. I consequently sent an open signal in plain language to NHQ, New Delhi to the C-in-C R.I.N. Vice Admiral R.N. Godfrey saying "my officers and men fully agree with the causes of the mutiny but have decided not to join it". I understand this signal was frowned upon by some senior officer in the NHQ but not by the C-in-C who appreciated the purpose of my signal. On arrival in Madras harbour we were berthed among all other naval ships who had gone on mutiny including the minesweeping flotilla under the command of George Baily.

Quaid-e-Azam's Keen Interest in Navy

The Quaid-e-Azam Mohammad Ali Jinnah showed much interest in the Navy. In 1946 months before Pakistan came into being, when I was the Commanding Officer of DILAWAR in Karachi in the pre-partition Royal Indian Navy, he was kind enough to accept our invitation. He came to the inaugural ceremony of the Naval ratings club at Keamari as a private guest of the Muslim officers and men. He received a very enthusiastic welcome.



During and after the partition of the Sub-Continent, he continuously took interest in the formation and development of the Pakistan Navy. Pictures above are from the publication PIMA magazine Vol 1, issue No 1, dated April, 1994 and were taken on 13th July 1947, when, I as the naval member of the pre-partition Indian armed forces nationalization committee went to congratulate the Quaid at

his New Dehli residence on the acceptance of the demand for Pakistan by the British rulers by dividing the sub-continent into two states, India and Pakistan, and announcing the decision to hand over power. Subsequently, too, he kept himself fully informed of the progress on the division of the old Indian Navy. Commodore (Retd) I.K.Mumtaz and I represented the Pakistan Navy on the committee set up for



*V/Adm. (Retd) H.M.S. Choudri along with Adm. Fasih Bokharai (the COMPAK) on Navy Day, 1996.
(Courtesy PIMA magazine, Golden Jubilee Issue, Vol. 4 Issue No. 1).*

Vice-Admiral Siddiq Addressing Navy Officers in USA

I was happy to be back in India and join my wife whom I had to leave 3 days after our marriage. She was in Madras with her aunt and brother in her parents house. I decided to stay ashore but the tension in the ship was so great due to other ships in harbour on mutiny, that on advice of my officers I reversed my previous decision and stayed on board all the time. To prevent mishaps like ship's firing on shore, as had happened in Karachi, where the NHQ ordered breach blocks of all guns in ships in the harbour to be removed.

When they tried to do the same with Godavari I informed N.O.I/C Madras that my ship will also join the mutiny if our guns breach blocks in Godavari were removed. After consulting NHQ New Delhi it was decided by N.O.I/C Madras to leave Godavari alone and not to remove breach blocks of our guns. We remained in Madras for quite sometime. Later an inquiry into the causes of mutiny with myself as its chairman was convened in Madras. At the end

of this episode I received a message from C-in-C RIN, appreciating our efforts to keep Godavari out of mutiny and commending the high morale in Godavari which was borne out by the conduct of the ship's company during the difficult period of the mutiny.

He was later selected to represent the Royal Indian Navy (RIN) on a public relation mission to the United States and there he did an extensive tour for war related establishments. It is being mentioned that a story went round in the RIN that a signal was sent to a naval base commander in the US, saying that Lieut. Commander HMS Choudri was arriving on such a date, please arrange necessary reception. Back came an immediate reply, "signal length, width and draft of HMS Choudri". They thought it was a ship.

After relinquishing command of the Godavari, H.M.S.Choudri served in the Naval Headquarters in New Delhi in various assignments.



H.M.S. Choudri addressing a group of American Navy personal in U.S.A, during his tour.

Vice-Admiral Choudri Being Introduced to Her Majesty the Queen of England



Vice Admiral (Retd) H.M.S. Choudri being introduced to Her Majesty the Queen in 1954 in London. He reminded Her Majesty when introduced to her recently in Karachi that he first met her in 1937 during the coronation of Her father, King George VI. (Picture Courtesy of PIMA magazine, Golden Jubilee Issue Vol. 4 Issue No. 1).

Resuming to the Great Beco Industry Story

With this brief interruption of the thrilling accounts of the Navy and the ships we now revert to complete the narration of the remaining events and episodes of the great Beco Story. His Royal Highness King of Thailand's Visit to Beco Badamibagh Works on 19th March, 1962.



Mr. C.M.Latif explaining his Royal Highness about Beco pump mounted engine.



The Royal Guest in Garlands.



His Royal Highness is flanked by Mr. Sharif Choudri and Mr. Manzar Latif (Mr. C.M.Latif's young son).



Mr. C.M.Latif receiving his Royal Highness at the main drive way of the Beco Badamibagh Works, Lahore.

Latif & His Talented Brothers



A close-up of Mr. C.M. Latif.



*The Three Brothers Together in late 1950's:
(From R to L) Mr. C.M. Latif, Mr. Sharif Choudri and Mr. H.M.S. Choudri.*



Mr. C.M. Latif, Hurrying Through a Newspaper.

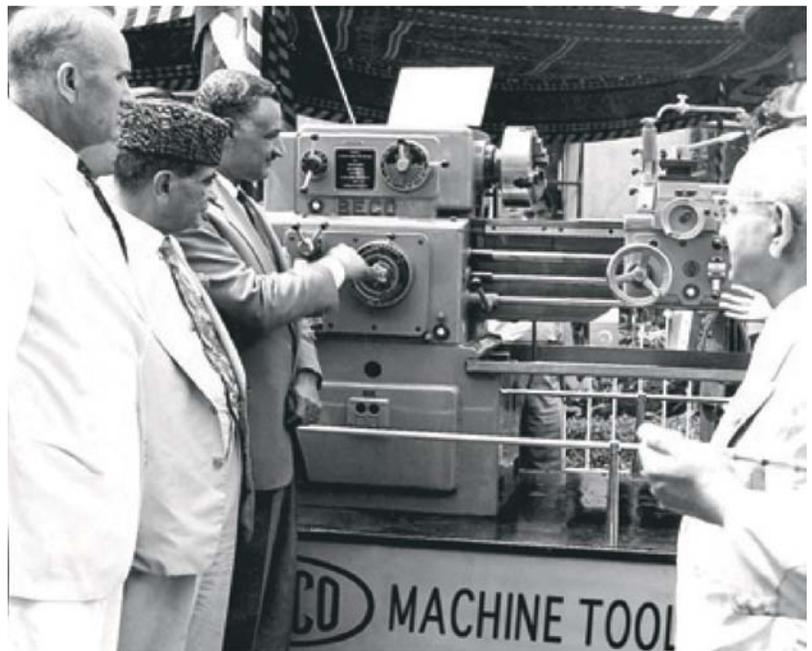
Latif at Work Abroad



Mr. C.M.Latif and wife, Gaitee Ara, with BECO's Belgium Agent Mr. Sulzer and wife, in early 1960's at a railway station in Brussels.



Mr. C.M.Latif at the boarder of Syria and Lebanon with Mr. Juma el Youssef, BECO's Syrian Agent. As per information of Beco News, September, 1962 issue, this meeting was held to negotiate and finalize the order for ½ million worth of diesel engines to be supplied by BECO.



On page 37, the front page of BECO News, December, 1946 issue was reproduced. Unfortunately no other issue of Beco News was recovered till, August 1962, edition.

Front scanned page (left) & back page (above) showing President Jamal Abdal Nasser of Egypt inspecting a BECO lathe machine.

This magazine's Patron was H.M.Siddiq Choudri and Editor Mr.Khalil Akhtar Khan.

Some pictures from this issue are being reproduced below and on next page



An A.P.O. Seminar Delegates Visiting Beco Works: A batch of productivity experts of the Asian Productivity Organization assembled in Lahore for a Study Group and visited Beco Works on 21st August, 1962. This visit was a part of A.P.O. programme to study the problems and methods of longer productivity in the member countries, namely, Pakistan, India, Nepal, Thailand, Phillipine, China and Japan.

The group who went round Badami Bagh Works keenly studied the various operations and asked questions about the works and the workers.



The picture above shows: Mr. A.M.A. Matin, Controller of Imports and Exports, visiting Beco's new site at Kot Lakhpat where construction of several new factories was in progress. Mr. Matin was received and shown round by Mr. C. M Latif, Managing Director of the Company. Mr. Matin also held discussions with the Chief Engineer of Beco, M.A. Schnieder. He showed very keen interest in the electric motor and bicycle factories.

The World-Famed Bicycle Engineer Joins Beco

This issue of the Beco News also reveals that there were many other foreigners who have been working for Beco from time to time and not Mr. Schneider and Mr. Wagner alone, who have so far been mentioned in the earlier pages.

THE BICYCLE ENGINEER ARRIVES

Mr. A. M. Hunter has arrived and assumed duties as Production Engineer, BECO Bicycle Factory which is nearing completion. Most of the machinery has also arrived.

Mr. Hunter possesses thirty years' experience in

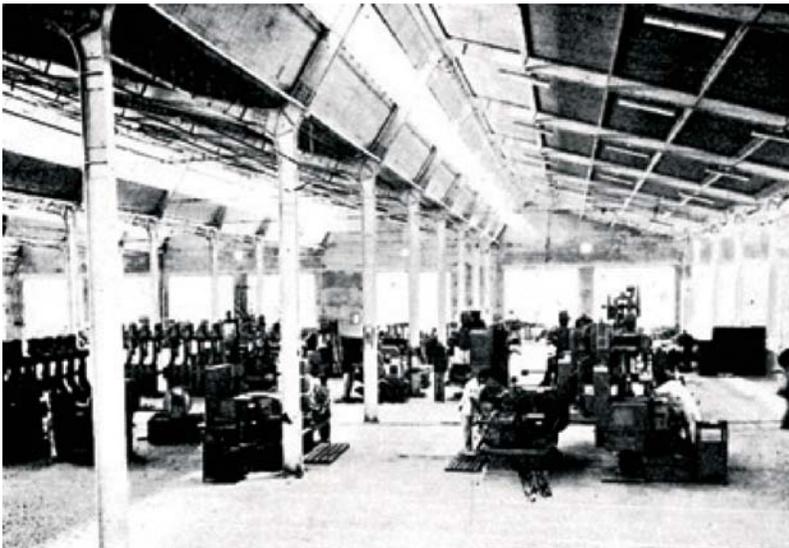
engineering which includes the famous Madras Cycle Factory known as T. I. Cycles, manufacturing Hercules brand. Mr. Hunter was also responsible for setting up of that factory.

Mr. Hunter, who hails from England, has been in various countries of Asia for quite long. While commenting on the machinery which has arrived for BECO Cycle Factory, the Production Engineer remarked:

"It is the most modern machinery equipped with time and labour saving devices, particularly designed for speedy production. What the aim should be: good and sturdy quality and cheaper rates,"



The installation work going on at Beco's new Kot Lakhpat Works Motor Factory and its production engineer, Mr.G.Taylor, installing a new machine.



A section of the motor factory where machinery has already been installed.



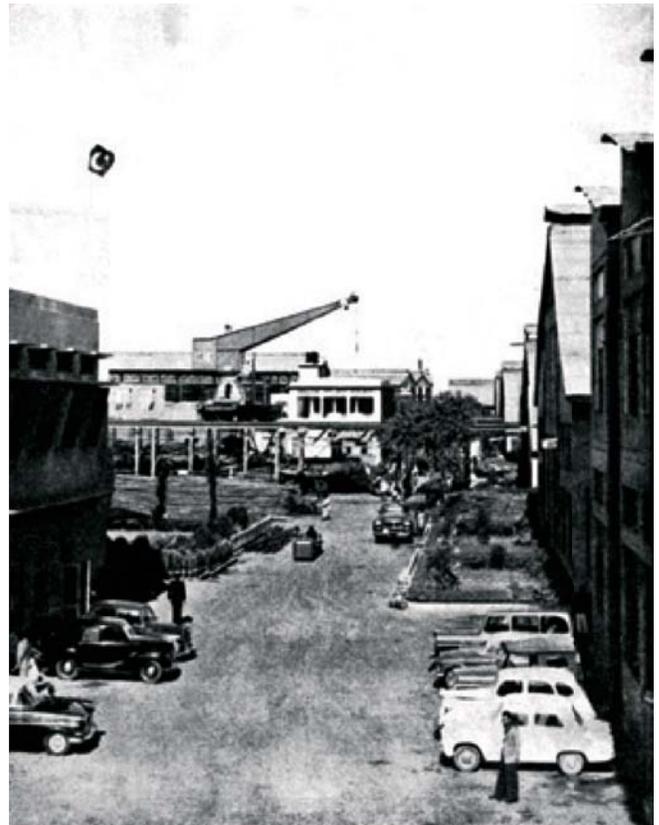
A ship at Karachi harbour is unloading goods belonging to Beco and Mr. C.M.Latif is inspecting the progress.

A Technician of a factory requested his boss for rise. "I have six children Sir!" he submitted, "and the seventh is expected."

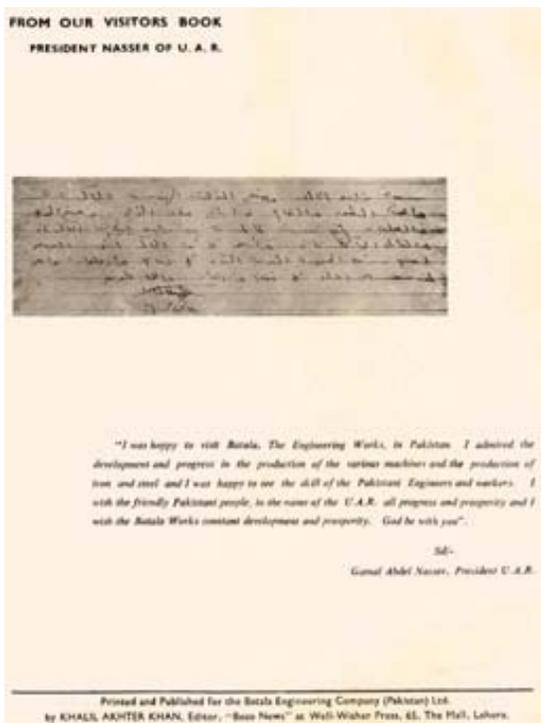
"Sorry My man!" the boss interrupted. "We pay only for what you produce in the factory."

There was a lighter side of this magazine as well. A small specimen is being reproduced above.

Vice-Admiral Siddiq Conducting UK High Commissioner Round Beco



The front & back pages of Beco News, September, 1962. Subsequent editions were printed quarterly. Cover shows Vice Admiral H.M.Siddiq Choudri, H.Pk., M.B.E. Director P & Co-ordination Conducting the U.K.High Commissioner round BECO works.



Egypt President Nasser Going Round Beco



President Nasser going round Beco works along with Mr. Siddiq Choudri.

On the left, President's comments .

President Nasser Delighted to See Beco Products



President Nasser in the Beco Pump Division.



Walking through the works with Mr. Siddiq Choudri.



President Nasser flanked on the left by Mr. Mahmood Husain (Chief Engineer) and on right by Mr. Saeed Ahmad Ansari (Chief Designer) walking through Beco's Designing offices.



President Nasser writing in Beco's Visitor's Book with Mr. Sharif Choudri on his left and Mr. Abdul Rahman Khan of Mardan (Beco's Board member) on his right.



President Nasser writing his comments in the Visitor's Book.

Some Other Distinguished Visitors to Beco

September, 1962's issue of Beco News reveals that following distinguished visitors had also visited Beco Industries.

Mr. Zulfiqar Ali Bhutto at Beco

Minister for Industries and Natural Resources, visited BECO Works, Badami Bagh. He was received and shown round by the Managing Director, Mr. C.M. Latif and the Director Personnel and Coordination, Vice-Admiral H.M.S. Choudri. Mr. Bhutto expressed satisfaction and appreciation on the tremendous developments and expansions taking place in BECO since his last visit.



Mr. Bhutto (middle) inspecting Beco diesel engine at Badami Bagh.



Mr. Schneider, Works Manager, explaining features of BECO lathe to Mr. Bhutto.

Mr. Bhutto wrote the following remarks in the Visitors Book:

"I was happy to visit BECO once again but not happy to see the accumulation of stocks. In an expanding and developing economy like ours ways and means should be found to absorb and utilise all our products otherwise our pace of development will slow down without cause or justification."

Mr. Bhutto later became a civilian to hold the office of Chief Martial Law Administrator on 1st Jan, 1972, when he issued executive order to take-over 32 industries. One may just ask: what kind of a so-called human would he be who was welcomed to your house and

all the aspects laid bare to him, but he then turned around after 10 years time and confiscated and ruined all your work done over the last 40 years, all in the name of equal distribution of wealth, while giving the charge of your assets to a mere civil servant?

We are morally bound to expose this bureaucrat as to what he did to the Company in the initial years of his charge and how the wealth of the company was squandered so ruthlessly.

Visits of Mr. Vaqar, Sir James and Shahzaman

Mr. Vaqar Ahmed, P. A. and A. S; Director General Investment Promotion and Supplies paid a visit to BECO works.

He discussed problems of engineering and steel rerolling industry with the Managing Director, Mr. C.M. Latif who received and conducted him round the various divisions. The visitor paid rich tributes to the role BECO was playing in the country's industrial development.



The High Commissioner for United Kingdom, Sir Maurice James visited Badami Bagh Works. The honoured visitor was received by the Director of Personnel and Co-ordination, Vice-Admiral H.M.S. Choudri and was escorted round the Works. The High Commissioner was impressed by the modern plant and the skill and spirit of the technicians.

Mr. K.M. Shahzaman, Joint Secretary, Ministry of Commerce, visited BECO's new projects at Kot Lakhpat. The Managing Director, Mr. C.M. Latif and Vice Admiral H.M.S. Choudri conducted him round the new factories which were nearing completion over a 200



acres area. Mr. Shahzaman inspected the installation of machinery in electric motor and bicycle factories. He discussed the layout and operation of the various sections with production engineers Mr. G Taylor and Mr. A. Hunter.

Mr. Latif's 1962 Address



This address has a long list of contents. But, as most of the material pertains to technical information, related to the circumstances of the time they are being reproduced only selectively.

Introduction

It gives me great pleasure to welcome you to the 12th Annual General Meeting of the Company. The Director's Report and Accounts of the Company for the period ending 31st March, 1962 have already been circulated. With your approval I shall take these as read.

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In accordance with the practice in the past, I propose to indicate the various vital aspects of the working of the Company and take you into confidence about the problems that we face today. I am sure a great number of our shareholders must have been disappointed when they learned about the Director's recommendations of not declaring any dividend for the year 1961-62. I am also one of those who have been affected greatly by this decision of the Board. Unfortunately, this has been the first year in the history of the Company from the time of its incorporation in 1933, that it is not paying any dividend to the shareholders. The causes of this decision have been explained briefly in the Director's Report and I would now try to give, hereunder, a detailed picture of the state of affairs of the Company.

As you are aware, the Company manufactured a wide range of engineering goods in their following divisions at the Badami Bagh Works:-

	Annual Capacity	Value Rupees
1. Rolling Mills products (Steel Rounds and Squared, Bars, Flats, Strips, Hoops, Angles, Tees, Channels and Beams).	60,000 Tons	4,80,00,000
2. Machine Tools (Lathes, Drills, Shapers, etc.)	600 Nos.	60,00,000
3. Slow-speed Diesel Engines	1,200 Nos.	80,00,000
4. High Speed Diesel Engines	2,400 Nos.	40,00,000
5. Industrial Machinery (Concrete Mixers, Gearing, Gates, etc.)	250 Nos.	35,00,000
6. Automatic Power Looms for Cotton Textile	1200/1800 Nos.	60,00,000
7. Agricultural Implements	25,000/35,000	50,00,000
8. Tubewell Accessories		40,00,000
9. Fabricated Steel Goods, all sorts	3,000 Tons	70,00,000
10. Pumps (2,400 Centrifugal and 1,000 Turbine)	3,400 Nos.	65,00,000
11. Miscellaneous Articles and Foundry Products.		20,00,000
		Rs. 10,00,00,000

It is apparent from the above that the Company is not just one factory but a complex manufacturing vital producer's goods, machinery and component parts which, in turn, provide most useful and vital service in various manufacturing plants all over the country. It is, therefore, apparent that on our efficiency depends the smooth working of many industrial plants in the country. It is this realisation which makes us feel proud of our role in the task of industrial and agricultural development and progress of the nation. It also gives an impetus to work with ever-increasing zeal and enthusiasm to serve the interest of the national economy.

THE UNDER UTILIZED CAPACITY

As is clear from the Balance Sheet, during the year under review new plant and machinery worth Rs. 20 lacs have been installed. The various divisions of Badami Bagh works, are capable of producing goods worth at least Rs. 10 crores per annum. Unfortunately, hardly 40% of the installed capacity is being utilized at present. The perusal of the Balance Sheet shows the sales this year have slumped down to Rs. 37,500,049.11 as compared to Rs. 47,113,131.65 for the year 1960-61. This has happened at a time when it was expected that our sale would go up considerably in view of the various works being undertaken in public as well as private sectors, as planned in the Pakistan's second Five-Year Plan, and also because of the gigantic Indus Basin works.

Thus, in spite of the liberalized import policy of the Government, which enabled us to obtain more raw material by repeat licences, to boost up our production, we have been able to make only a partial use of the installed capacity entirely because of lack of orders. This is due a to number of causes. I will enumerate a few of them for your information.

Whither Heavy Industry ?

The year 1961-62 was a bad year for BECO INDUSTRIES as one can read from the Chairman's Report which reveals that BECO's continued success story which had started again since 1948, had stalled this year.

Below are some extracts, division-wise, about what went wrong in Mr. C.M.Latif's words:-

TEXTILE LOOMS DIVISION

The number one national industry, namely, textile industry, is the pride of Pakistan. It has the potential to grow and with it were rightly linked the hopes of certain other industries particularly the textile machinery manufacturing industry. It is very unfortunate that after such tremendous expansion of the cotton textile industry almost all its requirements (capital machinery spare parts, components, etc) continue to be imported at a cost of crores of rupees worth of foreign exchange. **The main reason for this state of affairs is that the protection and patronage which is responsible for the development of textile industry, is denied to the textile machinery manufacturing industry.** This can only be due to lack of strict enforcement by the Government's their decisions after having properly appreciated the importance of developing the machine making industry in the country. On the instance of the Government and repeated suggestions and advice of textile industry some engineering units, including the Batala Engineering Co. (Pakistan) Ltd., and Siddiq Brothers Engineering Works, Lyallpur, embarked on the difficult and patience-consuming task of developing the loom manufacturing in Pakistan. Through hard work and sincerity of purpose, put together with plenty of capital, their efforts were rewarded in so much as they were able to produce machines equal in quality to the Japanese looms, most commonly used in the country. **But the story of these pioneering efforts of the engineering industry has become the greatest tragedy in the hard toils of those who took upon themselves this task with most noble and laudable objectives.**



There is bound to be a lot of controversy about the causes of this catastrophe. We have, in collaboration with Messrs Siddiq Brothers Engineering Works, Lyallpur, printed a booklet under the title, **Whither Heavy Industry** (Producer Goods Industry). **It is a pathetic story of how these efforts have been thwarted on the one hand by textile mill-owners, for whose benefit we started the project, and on the other by the Government policy regarding import under various credit arrangements.**

This booklet starts with a letter written to the Ministry of Industries, Government of Pakistan, on 29th December, 1961. when the situation became very alarming.

It was felt that the textile mill-owners were making all possible efforts to throttle the loom manufacturing units and to make the best of the erroneous import policy of the Government. Only an intervention from the Government could save millions of rupees invested in them as also guarantee their future existence. The booklet ends with a letter issued by the Ministry of Industries to the Textile Mill Owners Association, enunciating its policy regarding the allocation and distribution of imported and indigenous looms. So far the Government decision has not only failed to achieve its purpose, but in view of the consistent attitude which the textile mill owners have adopted all these years with respect to buying indigenous looms, one is inclined to think that the textile industrialists had declared a war on this infant indigenous looms manufacturing industry. They have adopted such unpatriotic attitude which is sure to result in complete closing down of the present loom manufacturing units. **We once again appeal to the Textile Industry to adopt a sympathetic attitude to this sister industry.**

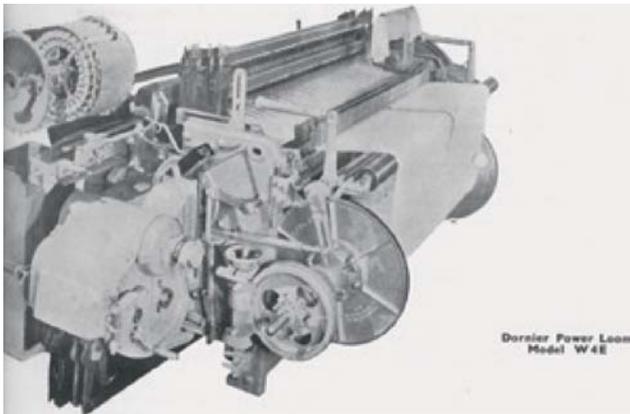
We, in the Batala Engineering Co. (Pakistan) Ltd. are now faced with the prospect of totally closing down this useful unit which had been developed at a high cost and



with great labour during the last 7 years. There are in stock ready assembled 300 looms and parts for 1,000 complete looms, which can be assembled immediately. We have already retrenched more than 150 workers from this division and if something radical does not happen soon, we will have to dispense with the remaining 200 workers **and close down the shop completely. It really pains us to retrench the skilled workers whom we have trained at great expense as manufacture of looms involves a very complicated technology.**

In view of the fact that indigenous industry is capable of meeting the demands of the country in this respect, we would request the Government to give a second thought to the decision to import 4,500 looms against a 13 million dollars loan. This loan could be used for purchase of preparatory and other machinery which is required by the mills. Demand of East Pakistan loom requirements can also be easily met by indigenous manufacturers.

We have entered into a long-term technical agreement with Messrs Dornier of West Germany, which has been sanctioned by the Central Permission Committee on 21st August, 1961. All the preliminary work connected with the manufacture of these high-class looms in Pakistan is complete. On a green signal we can bring this loom into market within 6 to 12 months. To start with we will manufacture this new type loom in our present Loom Division. The Dornier loom is the latest in loom design and has 240 picks as compared to 175 picks of Japanese looms. All the parts (100%) are machined and interchangeable efficiency is at least 40% higher than that of the Japanese loom, although its



price is about twice that of a Japanese loom.

The booklet, **Whither Heavy Industry Producer Goods** gives in details, with proper documentation, about this division of ours which could produce 1,200 to 1,800 looms per year costing Rs. 70 lacs. We have been able to sell during the year ending 31st March, 1962, 75 looms worth Rs. 3,87,000. **We have represented and are continuing to represent our case to the proper Government authorities, so that the pioneering efforts and the country's large amount of foreign exchange which has been spent on the installation of this division, may be utilized for the purpose it was meant for.**

If one power loom weaves 30,000 yards cloth per annum based on 300 days in 3 shifts, then 10,168 looms (latest type installed during 1961-62) would weave 30.50.40,000 yards. Compared with this the cloth export figures of 1960 which was the peak year, was 7,11.95,000 yards. **It is obvious from the above that the claim for imported looms on the pretext of export of cloth is without any foundation. The above figure clearly proves that the plea of the textile industry about export of cloth vis-a-vis imports of looms from abroad is just a hoax.**

STEEL ROLLING MILLS

The installed capacity of our rolling mills constitute 55% of the installed recognised capacity of all other rerolling mills in West Pakistan (excluding Karachi). We roll the following:

- (i) M.S. Rounds, Square and Flats 3/8" to 3.3/8" dia., 1/2" to 2" size and 1 x 1/8" to 4" x 1/2"
- (ii) Deformed Bars 3/8" to 1-1/2" dia.
- (iii) Angles up to and including 3" x 3" x 3/8".
- (iv) Tees up to and including 2-1/2" x 2-1/2" x 5/16'.
- (v) Channels up to and including 4" X 2".
- (vi) Joists (Beams) up to and including 6" X 3".
- (vii) Strips and Hoops up to and including 5" X 10 G.



Beco Steel Rolling Mills.

In the previous years our sales of the steel rolled products used to be in the range of 25,000 to 36,000 tons per annum. The main customer used to be the Government departments generally and the Public Works Department particularly. **During the year under report we have sold 14,863 tons of steel rolled products only and because of this meager sale the cost of production has gone up and margin of profit has also been greatly reduced. In some cases we have rather been selling under-cost because of the severe competition amongst mills.** The reason being that the total installed capacity of the mills in Pakistan for which initial 100% licences and repeat licences were also issued, is far too much compared to the demand of the re-rolling mills products in the country. Recently, the Government of Pakistan for reasons best known to them, recognized 72 new mills which are installed without proper sanction. This is in spite of the fact that the Government continuously issued warning that no mill, without prior permission, could be installed.

It may be worthwhile mentioning that almost all these mills are just junk. The report of the foreign expert, who surveyed them, certifies this. Records of the Development Wing of the Central Government also testify to this fact.

Following extract has only been added just to give an idea of the difficult situation from the heading: Private Enterprise Versus Public Sector and the Position of Beco Steel Division, as per the Chairman's address, 1962.

The Wah Ordnance Factory being a part of the Defence Department enjoys many privileges over the private enterprises, such as: (a) cheap railway freight under military credit note, (b) no customs duty, sales-tax and import licences fee, (c) can import any of their requirements without import licences, (d) availability of plenty of foreign exchange even for those items the import of which is banned for private enterprises. The effects of these advantages they enjoy vis-a-vis private industry for the manufacture of civilian goods are obvious. I will detail only some of these:

(a) **Freight:** Under Military Credit Note, Wah Ordnance Factory would pay for a 4-wheeled wagon with a carrying capacity of 22 tons, railway freight from Karachi to Wah as Rs. 304/- regardless of what they load in the wagons, except dangerous cargo, while private enterprise would pay the following for this single wagon:

- (i) steel melting scrap ... Rs. 1,112.20
- (ii) steel structurals, plate sheets and machinery ... Rs. 1,976.75
- (iii) electrical machinery ... Rs. 3,507.00

In the years 1960-61 and earlier, Wah Ordnance Factory had been producing in large quantities, steel ingots for re-rolling purpose in their electric furnace and had been selling these in the market. Being in a privileged position, the Wah Ordnance Factory had an access to numerous sources for obtaining steel melting scraps from various Defence Departments, West & East Pakistan Railways, etc. etc. They had been transporting scrap from Karachi to Wah under the Military Credit Note thus the difference in freight gave them a big advantage over the private electric furnaces.

In the face of this competition from Wah, BECO had to close down completely their 6-ton electric furnace for making ingots and their 4-tons furnace has been working only 50% of its capacity for the last 18 months.

It may be noted that technologically electric furnaces are used for making quality steel all over the world. With the vast know-how at the disposal of Wah Ordnance Factory they were also expected to do the same, instead of producing commercial quality reinforcing type of steel ingots for rolling bars. These latter are being made by private industry with much less know-how. The Wah Ordnance Factory could have more gainfully utilized their furnaces for making alloys and other special steel rather than competing with private industry by making similar steel.

(b) **Custom Duties:** Other materials imported by the Wah Ordnance Factory like pig iron, semi-finished steel, non-ferrous metals, etc. are imported free of duty and transported from Karachi to Wah at cheap rates. It is, therefore, impossible for the private enterprise to compete with them in prices.

PUMPS DIVISION

As is clear from the Balance Sheet, this division has shown a net loss of Rs.115,414.00.

The sale of this division this year is Rs. 1,776,414.00 as compared to the last year's sale of Rs. 4,568,857.00

One of the main reasons in the decline of the sale is that there was some delay in effecting delivery of 400 deepwell turbine pumps ordered by WAPDA which have been delivered during the current financial year.

Recently the sanctioned installed capacity of this division has been enhanced by the Government from 600 Turbine Pumps to 1,000 and from 1,200 centrifugal pumps to 2400 and we are entitled for the issue of import licences for this enhanced capacity.



Stocks of pumps lying unsold in the Pumps Division due to lack of sales.

It is most unfortunate that due to lack of orders we are not doing very well in this division. Since 1959 WAPDA has installed 1,800 deepwell turbine pumps in their Project No. I (for control of salinity and water logging) and almost all of them are working now. **Out of this, 1,000 pumps were imported from abroad and 800 pumps were supplied by BECO. Some more tenders are expected to be issued by WAPDA soon and we are confident that we shall be able to supply pumps against these requirements.**

Some New Beco Works

I am glad to announce that with the kind intervention of Malik Amir Muhammad Khan, Governor of West Pakistan, the possession of 200 acres of land at Kot Lakhpat (near Model Town) for our new schemes, was handed over to us in the month of November, 1961.



A very early picture of these works in the year 1962, when the erection of sheds was in progress.

Electric Motor Division

We had obtained two foreign exchange loans from PICIC; 5,26,000 dollars for the Electric Motor Project and 8,40,000 dollars for the Bicycle Project, to finance the import of requisite plant and machinery.

We had to build one and a quarter mile of approach road connecting our premises with the Ferozpur Road. The building of roads within the premises, railway siding and all facilities, together with the building of the Electric Motor Factory, were completed in the record time. The installation

of the complete machinery of Electric Motor Factory was completed by June, 1962. As soon as the raw material for this division arrives, full production will start.

The installed sanctioned capacity of this division per annum is 12,400 Motors... = Rs. 80/90 lakhs.

We hope with availability of electric power we will be able to sell the products of this division. We are manufacturing these motors after the design of M/s Newman Industries Ltd., Yate, Bristol, England with whom we entered into a technical tie-up on 27-7-1960.



A view of the Electric Motor Factory at Kot Lakhpat.

Manufacturing All Bicycle Parts

The picture below is the portion of the machine shop of Beco Electric Motor Division, which is installed with the uptodate production machinery and testing equipment, manufacturing horizontal, vertical and hollow shaft electric motors.



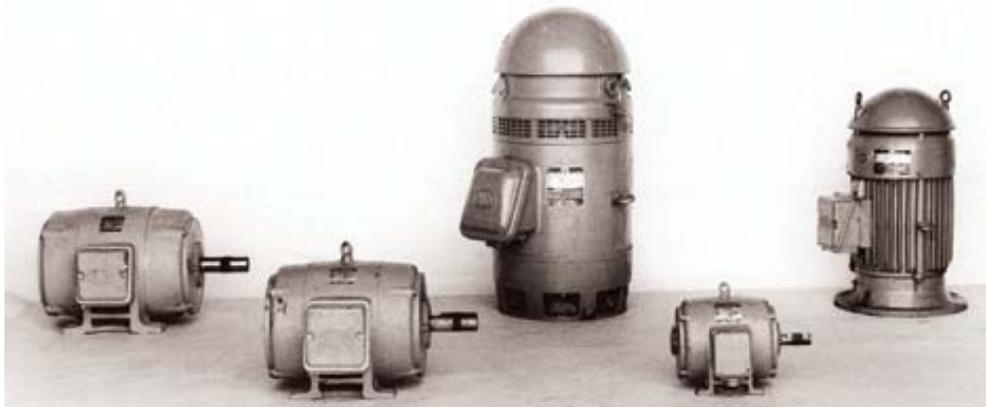
The Electric Motor Division's Inspection and Test Centre.



*The Enamelling Plant,
Beco Electric Motor Factory.*



Electric Motor in colour.



The product range which was developed at the Electric Motor Division.

Bicycle Division

A major portion of machinery and plant of this division has already been received and installed. The balance of machinery has already been shipped and is expected to arrive at our works very soon. We are quite hopeful that the installation of machinery and making of prototype models of the bicycles will be ready sometime within the first quarter of year 1963.

We will be manufacturing right from the start almost all the parts of the bicycles for which purpose entire machinery and plant have been imported. We have taken all necessary precautions that the bicycles manufactured right from the beginning are of highest quality and as good as the imported ones.

The sanctioned installed capacity of this division per annum is 1,00,000 cycles and spare parts = Rs. 2 Crores.

The Four Beco Bicycle Models Under Production

For the manufacture of bicycles, we have entered on 5-12-60 into a technical tie-up with M/s. Gazelle N. V., Dieren, Holland (Holland is known as the country of Bicycles in Europe). But later this was changed on advice of Mr. Bashir Jhumra, who knew the subject well and at the time

was also a bicycle dealer in Karachi. He strongly believed that British Raleigh was well-established and its design must be followed. Finally Beco developed its own model with some of the features Pakistanis liked in the Raleigh style, for example, tubes, part of frame and handles, handlebars, etc.



Four models of bicycles which Beco produced at its Bicycle Division, Kot Lakhpat, Lahore.



A partial view of Machine Shop of Bicycle Division, when the factory went into production. It is equipped with latest type of automatic chromium plating and enamelling plant, electro-thermic brazing, presses and other auxiliary machinery.

Beco Bicycle Assembly Section At Work



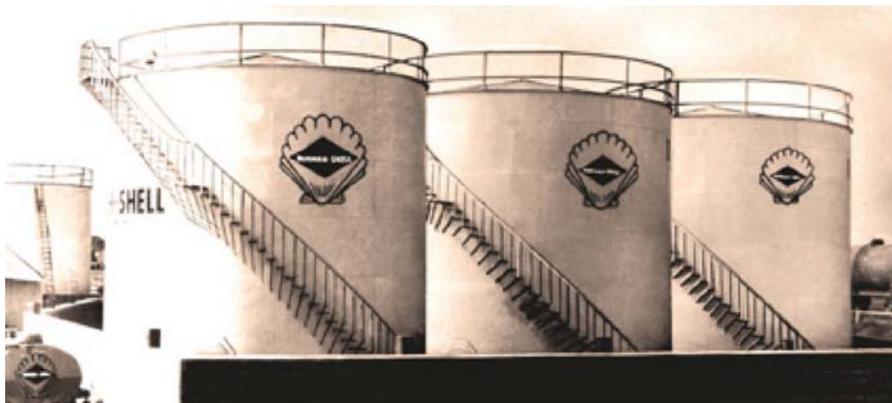
Assembly Section Beco Bicycle Factory.

Steel Fabrication Division

Steel fabrication capacity at the Badami Bagh Works is not sufficient to meet the orders in hand and also expected orders for various steel fabrications, like large gates and gearings, etc. needed for various Indus Basin Projects during the next 10 years. We have, therefore, decided to instal a Steel Fabrication Division on the new site. The necessary plant and machinery have already been ordered and some of them have arrived.

The balance is expected very soon. It is hoped that depending upon the orders, this Division at Kot Lakhpat Works will be able to manufacture and execute orders worth Rs. 50/60 lakhs per annum.

Extra heavy tanks of large capacity, were finally manufactured at Kot Lakhpat Works by this Division. Railway Wagon tanks (picture on next page), lorry tanks and other similar tanks of various sizes were installed at different places throughout the country.



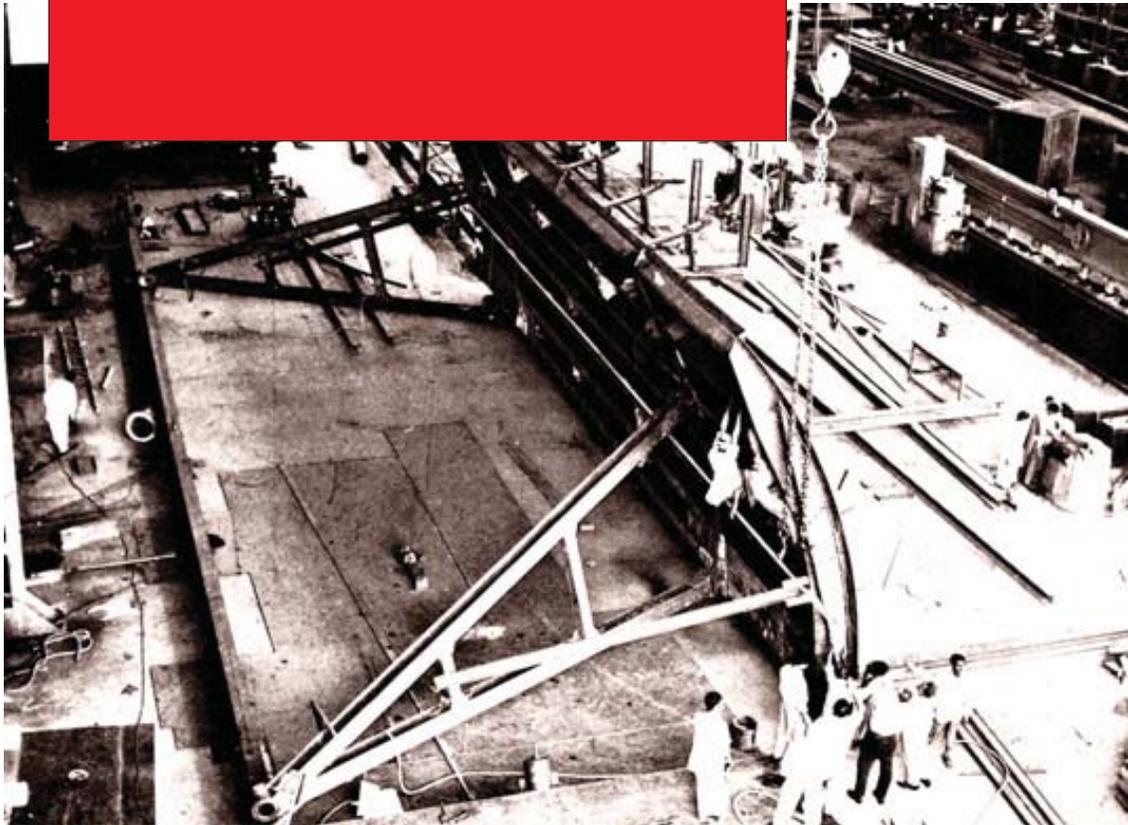
Rasul Barrage



Wagon tanks



movements of the overhead crane.



Work in progress on Radial Gates for Rasul Barrage under fabrication at the Structural Division, Kot Lakhpat.

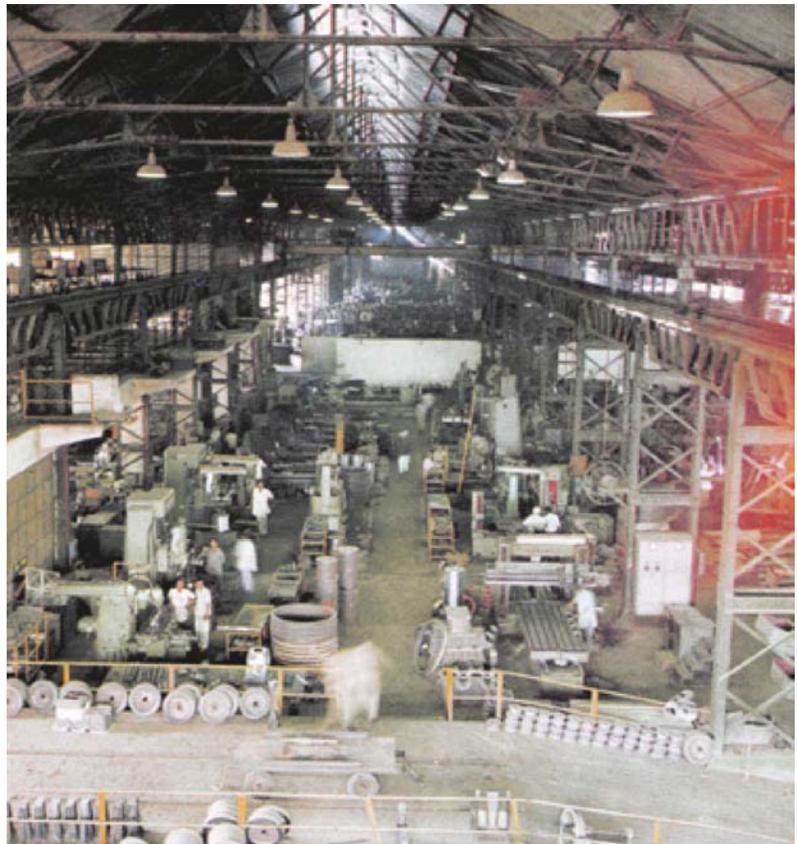
A View of the Beco General Engineering Division



Regulator Gates being tested at Badami Bagh's structural division .



A storage tank being mounted on a railway wagon at Kot Lakhat Works, Lahore.



Beco Badami Bagh's General Engineering Division.

Beco in the Service of East Pakistan

Some extracts from the heading “EXPORTS” in 30th Dec, 1962. Report continue as follows:-

The time has now come when for the sake of survival of industries, whether engineering or otherwise, they must make an all-out effort to export as much as they can. BECO has been making efforts since 1955 to find a foothold for the export of its products to the Middle East. It is only during the current year (1962) that we have been rewarded with a little success. I am glad to announce that we have already exported diesel engines and machine tools worth Rs. 2,75,055/- and have orders in hand for the export of diesel engines worth Rs. 5,31,682/-.

In order to make an all-out effort, we have decided to create a permanent organization in our Company for exports and are going to engage two whole-time sales engineers, one for the Middle East and African Countries and the other for South East and the Far Eastern Asian countries to step up our exports. We are also thinking of reviving our previous plans of opening an office in the Middle East. In spite of the fact that we depend on import of the entire raw material, the export of metal producer goods like machine tools engines, etc. earns 40% to 50% of foreign exchange.

Almost all the countries of the world follow a dual price policy. There have been lower prices for the export market and higher for the domestic market. The former is being subsidized by the consumers in the domestic market. The incident of all export losses are to be borne by home consumers through increases in the domestic prices. I am afraid there is no escape from this basic situation. The continuity of bonus and other facilities which were announced during the second-period of 1962 Shipping Policy, if kept in its present form, will help a great deal in expanding our exports.

We must also do something seriously to increase the work per man hour, as the rising cost of manufacture in Pakistan is also a matter of great concern. As a proof of this trend the following figures pertaining to the BECO's own production of wages are relevant. The figures for the last six years are significant in this behalf:

	1957	1958	1959	1960	1961	1962
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Production Wages	33,80,254	34,13,722	42,06,386	49,61,558	53,77,170	60,11,080
Sales	2,83,91,171	4,38,83,678	4,72,06,004	3,65,46,690	4,71,13,132	3,75,00,049

BECO SERVICES FOR EAST PAKISTAN

Next some extracts about East Pakistan are being reproduced below, as this is the first time it was found in Mr.C.M.Latif's papers that he had discussed Beco's operations in that part of the country.

I am very happy to announce that more than 50 % production of our Diesel Engine Division (slow-speed and high speed) and a large portion of our Machine Tool Division are being sold in East Pakistan. We manufacture 10 to 30 H. P. slow speed diesel engines and have been manufacturing 7-1/2 H. P. high speed horizontal engines, which besides being used for many other purposes, are mostly coupled with pumps. **We have already supplied 2,600 engines coupled with pumps to the Agriculture Department as well as other users in East Pakistan. This pumping set is used mostly for irrigation purposes at the Buro Crop Season.**

We have now entered into a technical tie-up with Messrs. Porsche Diesel for the manufacture of their twin-cylinder and three-cylinder vertical air-cooled engines. All the arrangements for the manufacture of these engines in our High Speed Diesel Shop are complete and very soon we will be manufacturing air-cooled engines. Recently, we have obtained an order for 260 pumping sets from East Pakistan Agricultural Corporation for which we imported ready-made Porsche Diesel Engines from Germany. The pumps and trollies coupled with these engines were manufactured by ourselves. These pumping sets have been delivered and are now commissioned into action. **We are sure if we receive more orders for these pumps with air-cooled engines we will be able to supply a complete set manufactured in Pakistan for use for the next year Buro Crop Season.**

At present nearly 2,000 slow-speed diesel engines manufactured by us, are working throughout the length and breadth of East Pakistan. These engines are mostly used for working rice husking mills, chakkies and power units for various small industries. Since April, 1960 we have set up a small workshop in the Tejgaon Industrial Area, near Dacca, where we undertake overhauling and servicing of the pumping sets, engines and other machinery supplied to East Pakistan. We have now been permitted to manufacture pumps in this workshop and very soon we will start the production of these pumps.

No “Conflict” With the Government

We have a fully-organized after-sale service with headquarters situated in Dacca and branches in Chittagong, Sylhet and other important places. We are keeping sufficient stocks of necessary spare-parts needed for engines and other machinery supplied to East Pakistan at Dacca and Chittagong.

We have successfully completed two-year servicing contract entered into between the Agriculture Department of East Pakistan Government and us for servicing and repair of 1000 pumping sets. Now the Department is doing this work through their own organisation but the spare parts needed by them are supplied by us and any major repair of their pumps, engines, etc. is undertaken by us in our Tejgaon workshop.

We are very proud to announce that almost 90 % of the slow-speed engines working all over East Pakistan, are BECO engines and they have proved most successful. Besides engines and pumps we have supplied 275 deepwell turbine pumps to various Government Departments of East Pakistan. We have also supplied 132 concrete mixers to various Government Departments in East Pakistan and to private users.

It is very gratifying, as is borne by the above figures, that there is a tremendous activity in industrial as well as agricultural sectors in the East Pakistan. A lot of progress has been made in the various economic sectors in that wing of the country. We are convinced that economies of both the East and West Pakistan are inter-dependent although there is no direct land route between the two wings. Pakistan, however, has been able to overcome this handicap by the expansion of the shipping between Karachi and Chittagong ports in an organised and regular manner. As there is a long distance between West and East Pakistan, goods supplied from one wing to the other cost more in some cases than those imported from abroad. But this difference is only in Pakistani currency.

It is very heartening that since the new regime came into power, it has laid more emphasis on the development of East Pakistan. The simultaneous development of both the wings gives strength to each other, besides strengthening Pakistan as a whole.

Because of certain historical factors, the West Pakistan is relatively more industrialized than East Pakistan in certain spheres. **But the progress which has been achieved in the various spheres of economy in East Pakistan, since Independence and especially during the last three years, is really appreciable. I**

am sure our East Pakistani brothers by putting more hard work, will soon come at par with West Pakistan in development.

It is sad to note that during the last two years, due to natural calamities, (floods and cyclones), there has been a loss of lives and property in East Pakistan on a vast scale. It is, however, gratifying that in spite of this, the spirit of our brothers in East Pakistan has not been subdued and they are working with redoubled efforts to overcome the difficulties created by nature. As far as BECO is concerned, our doors and services are open to all our East Pakistan brothers by way of training or advice.

BECO'S LONELY STRUGGLE

Fortunately, BECO is the only undertaking of its kind in Pakistan which has commercially and technically obtained a certain degree of success in high technological and much diversified production of producer goods in the metal engineering industry. Fortunately, there is at least one undertaking which, by its pioneering efforts and hard work, has successfully laid the foundation and nucleus of heavy engineering and machine making industry in Pakistan.

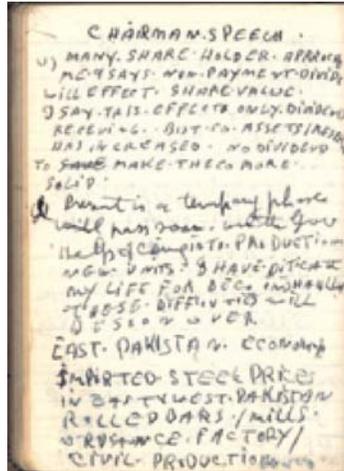
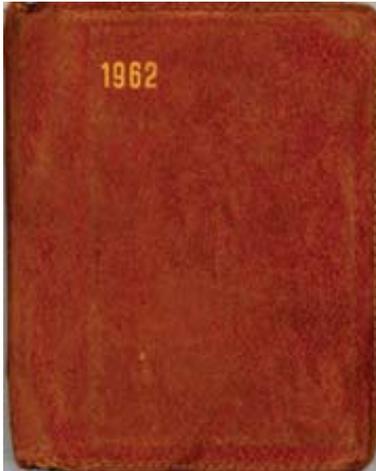
Unfortunately, because BECO, being the only organisation of this kind in Pakistan, has to struggle alone on all fronts, especially the Governmental front, in getting various matters put right. This struggle of ours in many cases is not appreciated by the Government officials and many of them say that we "have a conflict" with the Government. No wise businessman can afford to fight with anybody much less against Government. This reminds me of a Punjabi proverb, meaning that if one fights with one's mother where can one attack her. The Government of the country is like the mother.

Sometimes, because of the continuous struggle which we have been carrying on for the last 33 years, I say to myself after all what for all this and feel like giving up the struggle. Then again when memory goes to October, 1930 when as young engineer, freshly graduated from the Moghalpura Engineering College, I along with my younger brother Siddiq (Vice-Admiral H.M. Siddiq Choudri), who is now our Director Personnel & Co-ordination, went to see the then Director of Industries of the pre-partitioned United Punjab. Approaching him we said, we want to industrialise India, can you guide us what industry we should start. This memory serves to rededicate myself with greater zeal and enthusiasm to the task of doing my bit towards industrialization of Pakistan in a planned manner. This gives me a renewed self-confidence and I start my struggle again.

“I Have Dedicated My Life for Beco”

I am steeled in my determination to continue the struggle started in 1930 unmindful of the hardships in the way. God willing, time is not far off when our humble efforts to create right consciousness amongst proper quarters will succeed.

Closing the extracts, we reproduce below a scanned image of the 1962 diary page relevant to the address of Mr. C.M.Latif.



“Many share holders approach me and say non-payment of dividends will affect share value. I say this affects only dividend receiving, but Co. assets/reserves have increased. No dividend to make the Co. more solid. The present is a temporary phase. It will pass soon with Govt. help and coming to production of new units.

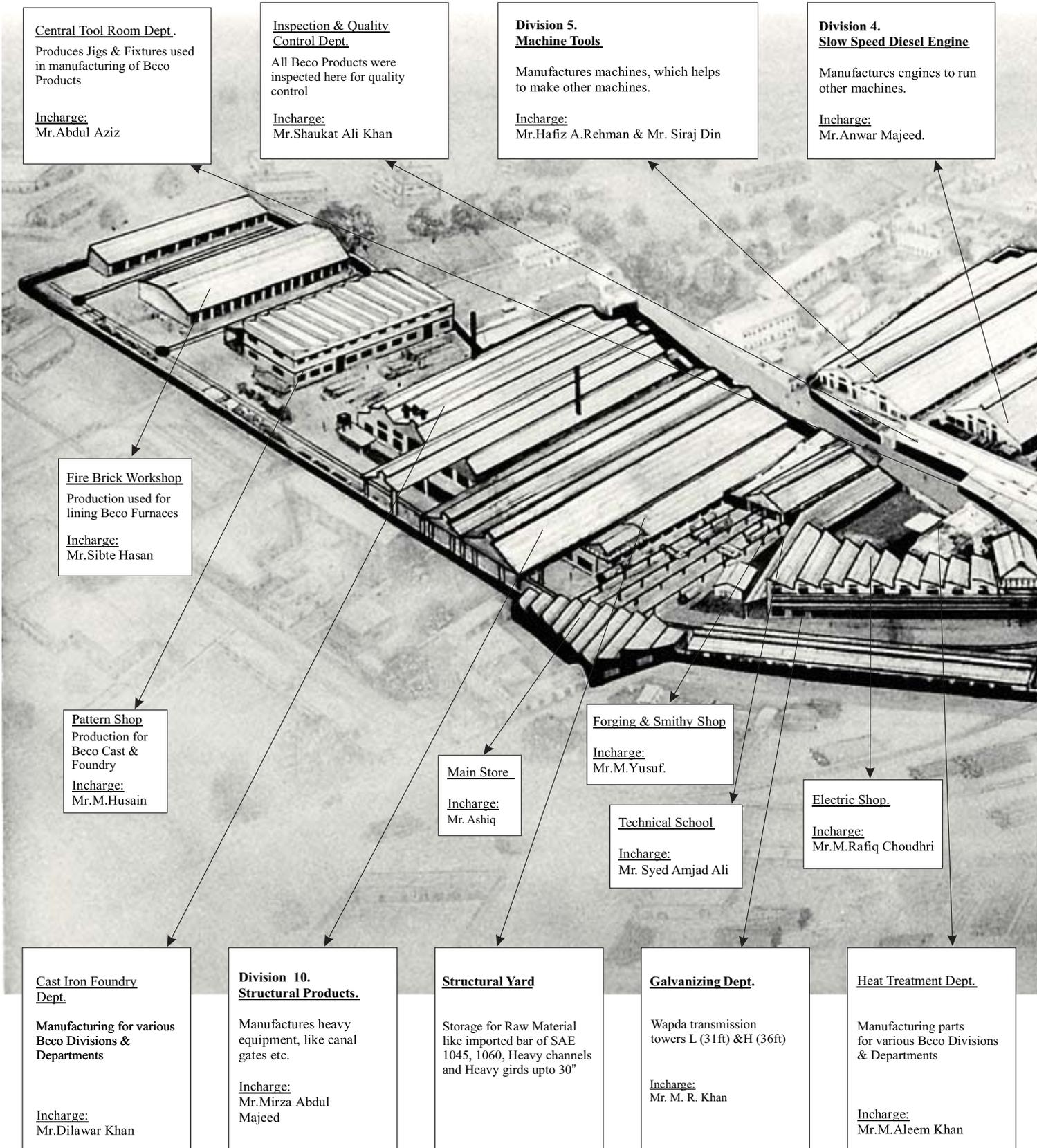
I have dedicated my life for BECO, Inshaallah these difficulties will be over soon”.



The Prime Minister of Lebanon being escorted to tour BECO's Badamibagh Works, Lahore on February 2, 1963.

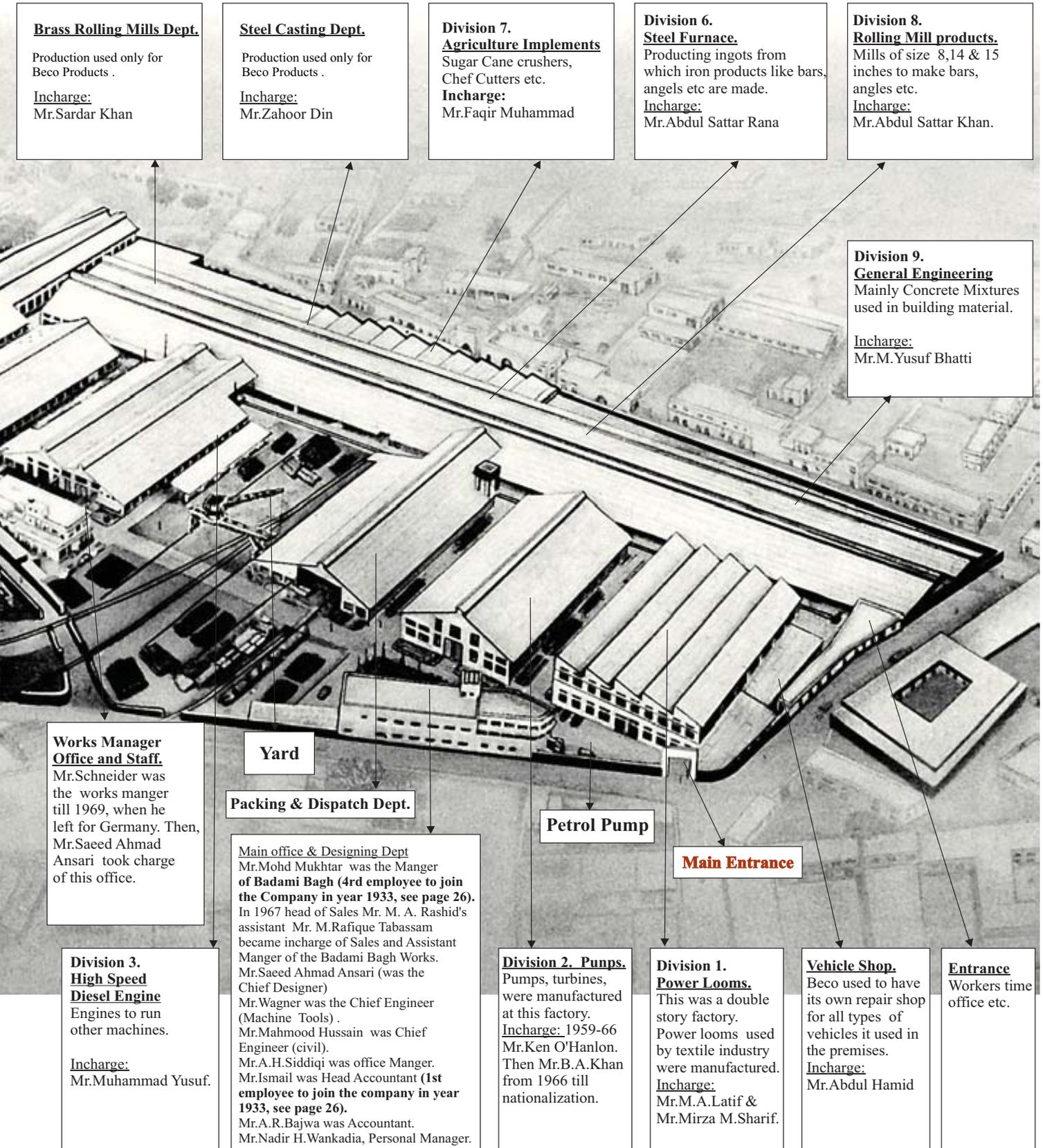
BECO Expansion

SPACE AT BECO BADAMI BAGH WORKS IN THE EARLY 1960'S WAS ALMOST FULLY UTILISED, DETAILS OF THE WORKSHOPS WITH THE PRODUCTS BEING MADE ARE GIVEN BELOW.



in Early 1960's

BECO EXTENDED OVER 54 ACRES (75 % COVERED) AND EMPLOYING ABOUT 5000 WORKERS. AFTER THE EARLY 1960'S ONLY MINOR ADDITIONS TOOK PLACE.



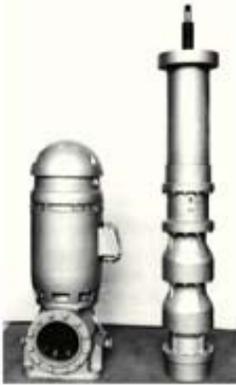
Beco Badami Bagh Works Complete 1960 Product Line

Division Product 1
Power Loom



Division Product 2
Pumps, Turbines
Mounted Pumps







Department Product (2)
Tools





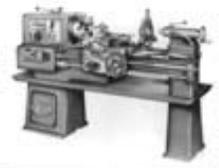

Division Product 3
High Speed Diesel Engine




Division Product 4
Slow Speed Diesel Engine



Division Product 5
Machine Tools






Division Product 5
Continued






Heavy Duty Upright Drill Model "UD 38"



High Speed Pillar Drill Model "PD 16"

Division Product 6
Brass Rolling Mills, Steel Casting & Steel Furnace



Division Product 7
Agricultural Implements





Division Product 8
Steel Rolling Mill items



Division Product 9
Concrete Mix:



Three models

Division Product 10
Structural



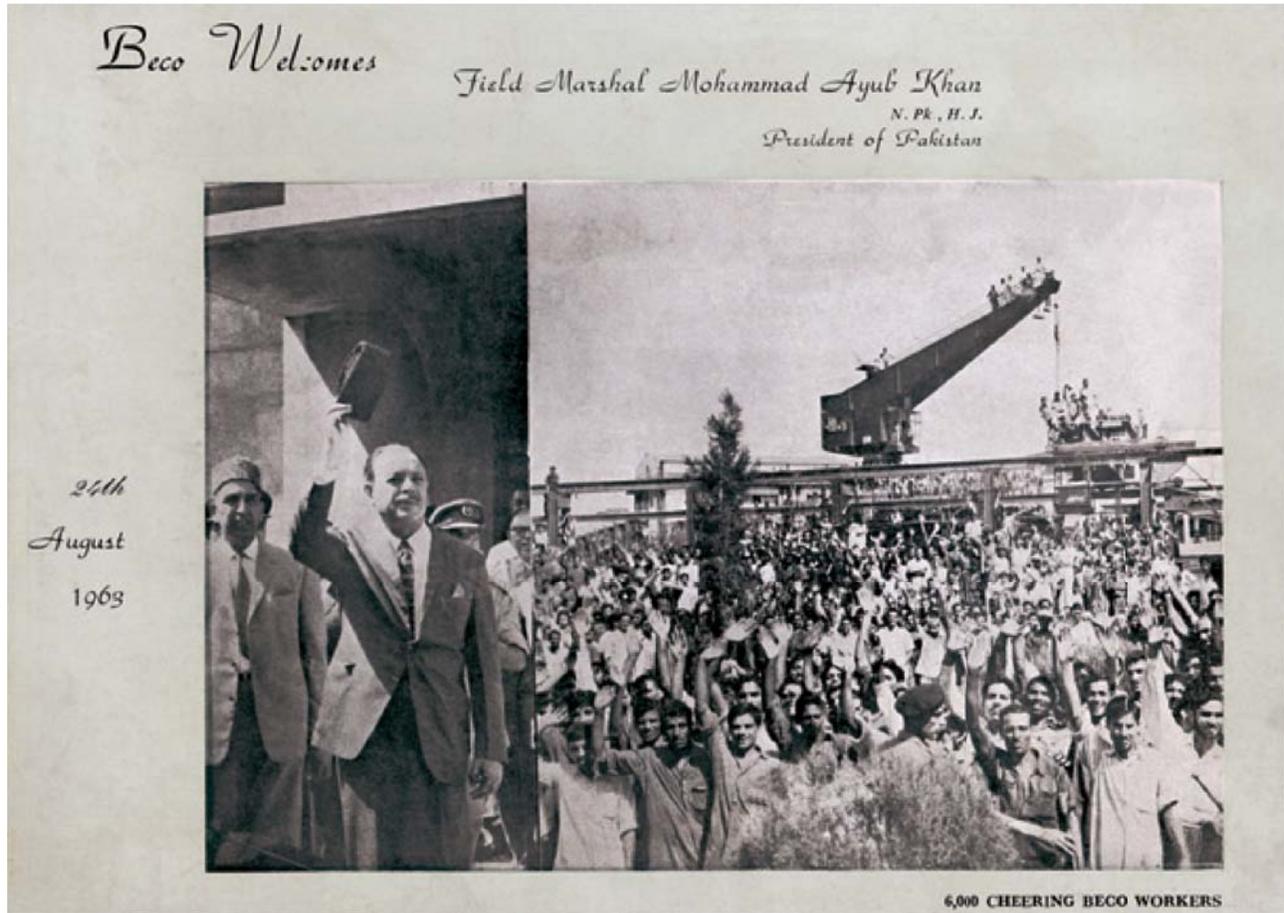


The 1000000 BTU model of this machine is equipped with high quality of stainless steel. It is suitable for processing of various materials. Being the best design.

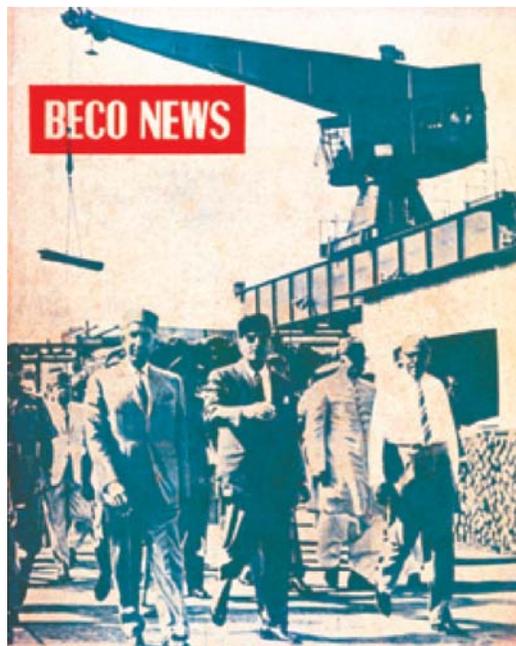




President Ayub Khan at Beco



The cover print of pamphlet printed by Beco when President Ayub visited Badami Bagh Works. The President is waving to the workers with his cap in hand just before leaving the Factory.



The President going round BECO Badami Bagh Works. With him are the Governor of West Pakistan, Malik Amir Muhammad Khan (right) and Vice Admiral Choudri, Director BECO (left). On extreme right is Mr.Schneider, Beco Works Manager.

President Ayub's Observations in the Visitors' Book

President's Speech in Reply to the Welcome Address

Welcome Address presented by
Vice- Admiral H.M.S.Choudri (H.Pk., M.B.E.)



August 24, 1963

I am very glad that I have been able to visit the Beco Works after a long time. I wanted to come here earlier but could not due to one reason or the other. I am amazed to see the expansion of this place, which is our basic need. A lot of efforts have to be made for further development. I congratulate Mr. Latif who is not here on this wonderful task. I would have liked to congratulate him myself as he had wanted me to see this place for a long time but I am sure that Admiral will convey my message.

The arrival of Admiral Choudri here although it has been a loss to the Navy, I am sure, has been a gain to Beco and has helped the rapid progress of this concern. The impact of his personality is already being felt in industry. We have no doubt about it. These points that you have just now mentioned I will take with me and will look into them carefully although I cannot make any definite promise at this stage because I am not final authority but I am sure the Government will do everything possible to solve your problems. There is a great need to boost up our export, produce our own goods and save more foreign exchange. We are incurring heavy debts. Many countries have given us large amounts of money. This foreign money has got to be returned and we want to return and we will surely return it. We are going to pay back through earning foreign exchange. Of course Pakistan has to face many difficulties in exporting its products. Our Textile Industry has already begun facing difficulties in the European Common Market but there are lots of other places where we can sell our goods. Our industrialists have to be light footed and moving fast. We on our part will do everything possible in term of saving foreign exchange. Even if we have to pay a little more in local money we should buy local goods and save foreign exchange. It does not matter if we pay a higher price but we should encourage our industry. A formula has to be worked out to achieve this object. The country's mechanical needs are expanding and the industry should not worry about selling its products. Nevermind if you have to run after them now but time is coming when they will run after you.



President, Sir, Mr. Governor and distinguished guests.

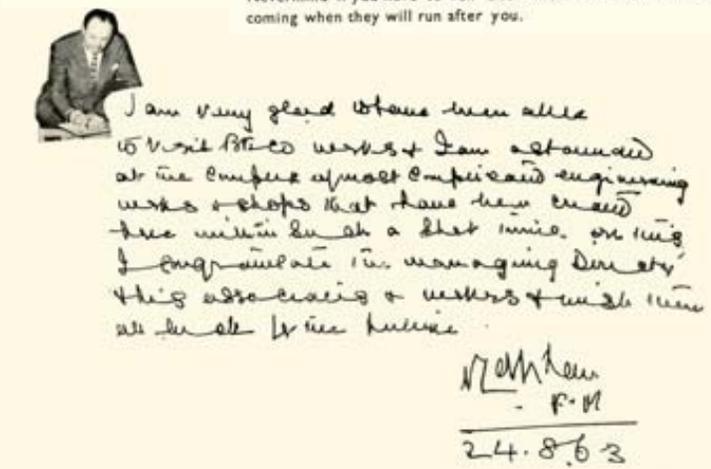
We have been waiting for a long time for this auspicious occasion to welcome our President, Field Marshal Mohammad Ayub Khan, to our works. We are indeed happy, Sir, that you have been able to find time to honour us with your visit this morning.

Sir, as you very rightly pointed out in your Independence Day message a few days ago, Pakistan's first need on coming into being was that of industrial development. You also said in your message "We have now reached the stage of undertaking heavy industries." The Batala Engineering Company (Pakistan) Limited, after 30 years of experience, are happy to be in a pioneering position to assist Pakistan in developing heavy industries in the country.

This Company which is Pakistan's largest engineering concern in the private sector, is a broad-based public limited company with about 5,000 share holders. The capital employed in the various divisions of the Company is about Rs. 8 crores. At present we are capable of producing machines and other goods worth over Rs. 10 crores annually.

As you have seen yourself this morning, Sir, we manufacture a variety of metal engineering goods including various types of machine tools, engines, pumps, structurals, textile looms, agricultural implements, etc. in our Badami Bagh Works. Recently we have added bicycles, electric motors and heavy structurals to our range of products at our new works at Kot Lakhpat which will further add to our total installed capacity.

All this has been done over the last 30 years. Expansion since Partition has been very extensive to meet the growing needs of Pakistan. This phenomenal progress is the result of progressive vision and foresight for the industrial need of the country and through zeal and sheer hard work by our Managing Director, Mr. C.M.Latif, assisted by the Director Incharge Works, Mr. M. Sharif Choudri, and the enthusiastic team of their coworkers.



The President's observation in the visitors book:-

"I am very glad to have been able to visit BECO works and I am astounded at the complex of most complicated engineering works and shops that have been created here within such a short time. On this I congratulate the Managing Director and his Associates and Workers and wish them all luck for the future".

Typed reproduction of president's observation in the visitor books.

Silver Replica of a Lathe Model Presented to the President

We were fortunate to have a large number of trained old technicians who migrated from our Batala Works in India in 1947. We have also been fortunate in having a team of competent foreign engineers who have made valuable contribution. To keep up-to-date with the latest developments in technology and design we have technical tie-ups with a number of manufacturing concerns in Europe, England and America to whom we are greatly indebted for their cooperation and assistance.



Mr. Siddiq Choudri presenting a silver replica of a lathe, Model CL200 as a memento of the visit and token of gratitude. On extreme right is Mr. Khalil Akhtar Khan, editor of BECO NEWS.

Last but not the least, we are grateful for the help we have received from your Government without which we could not have achieved this tremendous progress. We are most grateful to the Governor, of West Pakistan, Malik Amir Muhammad Khan, for all his help especially to get land at Kot Lakhpat without which our new works could not have come into existence. However, I must point out, Sir, that it has not been fully appreciated by all concerned that the producer goods industry is the most difficult of all industries to develop. Consequently this industry has not enjoyed the patronage and protection which it deserved from the Government.

We have a number of problems which can only be solved at the highest level. Our main difficulty is that although we have the capacity to manufacture goods worth over Rs. 10 crores annually, more than half of our capacity is lying idle. This is due to the fact that goods which can be manufactured according to the required quality and quantity needed by the country are being imported from abroad by the various Government and semi-government agencies, both in East and West Pakistan. I am sure that after your visit this morning, Sir, and with your genuine interest in heavy industry you will come to our rescue and help us to

solve our problem and ensure full utilization of the installed capacity of this large engineering concern to enable us to make our full contribution to the economic prosperity of Pakistan. We would not like to encroach on your valuable time by going into details of these problems this morning but we would take this opportunity of submitting a memo explaining two of our most immediate problems for your kind consideration and necessary action:

(a) Prequalification for Wapda Tubewell Projects

At present not a single Pakistani firm is being allowed to bid for WAPDA's Project No.2 for installation of 815 tubewells. Our first problem is to get prequalified by WAPDA to submit bid along with others. We are fully confident that we can install 1,600 pumps with the same amount of foreign exchange which a foreign company would require to install just 800 pumps.

(b) Mode of Calling Tenders for Turn-key Contracts

Our second problem is that the various turn-key contractors are reluctant to buy their requirements from Pakistan because of the mode of calling tenders and comparing the prices. We request that the comparison of bids for the Indus Basin Projects should be done on the basis of "as it costs to the Project." This procedural modification will considerably enhance the share of Pakistani industries in the implementation of the Indus Basin Projects and bring in several crores worth of business which is now going abroad. Both these points have been fully explained in the memo.

Sir, we are most conscious of the fact that it is of utmost importance that we must develop our export trade to help Pakistan to achieve a favourable balance of payment and are very hopeful that we will be able to develop a sizeable export market for our machines, You will be glad to know that there is a big market in the United States of America for our products. We have recently received orders to export 100 pumps and a few of our lathes. This is only a token order and we are hopeful to develop a large export trade with the U.S.A. and Canada, We have already exported about a hundred of our engines to Syria and some machine tools to the Middle East.

May I once again thank you, Sir, on behalf of the Management and the 6,000 workers of the BECO for honouring us by your visit this morning and request you to accept this model of a BECO lathe; as a memento of your visit and a token of our gratitude.

Beco News Report & Photographs About the Visit

BECO NEWS, reported the President's visit in the following manner with pictures.



AUGUST 24, 1963 was a memorable day in the history of BECO when the President of Pakistan, Field Marshal Muhammed Ayub Khan, paid a visit to its Badami Bagh Works. This was the President's first visit to nation's largest engineering works in the private sector.

In the past almost every important visitor to Pakistan has come to see this living example of nation's aspirations. They include President Nasser of U.A.R., Premier Chou-En-Lai of China, the King of Thailand and the Prime Ministers of Nigeria and Lebanon.



President shaking hands with Mr. Sharif Choudri.

The Batala Engineering Company, which started its operations in 1933 in a small town called Batala in India, had to restart in Pakistan in 1948, after Partition. Starting from almost scratch, through hard work, zeal and careful planning it has come to be the largest unit of its kind, saving millions of foreign exchange for the country and providing means of living to thousands.



A lathe machine is being shown to the President by Mr. Siddiq Choudri.

On arrival at the Works the President Ayub Khan was received by Vice-Admiral Choudri and introduced to Mr. Sharif Choudri and Ch. Abdul Karim, Directors of the Company. The President then met the senior officers and engineers who had queued up to shake hands with him.



President shaking hands with Mr. Mohd Mukhtar, Manager Badami Bagh.



The President with his back to camera is being shown a drawing on the boards by the Chief Designer, Mr. Siddiq Choudri and Governor, Malik Amir Mohammad Khan, are on the right.

President's Inspection, Speech & Departure



The President is being shown BECO made tools, by Mr. Siddiq Choudri on his left and Mr. Schneider on right.

Accompanied by the West Pakistan Governor, Malik Amir Mohammed Khan and his ministers the President then proceeded on an inspection round of various divisions of the sprawling complex of the engineering industries, spread over about sixty acres.

In the Machine Tools Division, Admiral Choudri, who was conducting the Presidential party, showed them the lathes meant for export to U.S.A. President evinced great interest in these and other models of lathes, drills and shapers which are gaining ever increasing popularity in both the wings of the country.

When the party was proceeding to the General Engineering Shop, groups of rolling mill workers came out and started cheering their beloved leader enthusiastically.

The President was greatly impressed by the Canal Regulator Gates and their Hoist machinery. Besides this he saw the manufacturing and assemblies of two sizes of concrete mixers in this Division.

After inspecting the Pump Manufacturing Division, where he talked to the engineers about the utility of pumps in fighting the twin menace, water-logging and salinity, which the country was facing. The President proceeded to the Western Wing of the works in a car. In this wing he inspected the Company's Technical School, galvanizing plant, new structural division and the cast iron foundry.

On return to the Conference' Room, Mr. Sharif Choudri welcomed the President. Admiral Choudri read out an Address of Welcome on behalf of the Management and Workers. The Admiral presented a



The President speaking in the reception rooms of BadamiBagh Works offices.

silver replica of a lathe, Model CL200, as a memento of the visit and token of gratitude.

The President in his reply to the Address of Welcome paid rich tributes to the Directors, Management and the Workers and congratulated them on setting up such a useful and efficient plant.

When the President came out to leave about 6,000 workers left their benches and gathered to greet him, waving with joy. Those who could not see him standing on the ground climbed to shed roofs, cranes, walls and trees, etc.

The President, who was greatly moved by the affection of the workers stood waving to them for several minutes. He then left amidst cheers of 'Pakistan Zindabad,' 'Ayub Khan Zindabad.'



The President's car is being driven through the Badami Bagh Works, as he leaves.

Press Report of President Ayub's Visit to Beco

THE
PAKISTAN TIMES
FOUNDED BY QAUID-I-AZAM MOHAMMAD ALI JINNAH
PUBLISHED SIMULTANEOUSLY FROM LAHORE AND RAWALPINDI
LAHORE, SUNDAY, AUGUST 23, 1963—5 RABI-US-SANI, 1383 A.H.

**COUNTRY'S EXPORT AND
OUTPUT**

**President's call
to industrialists**

**RAISING FOREIGN
EXCHANGE VITAL**

**Plea to patronise
home products**

By a Staff Reporter

President Mohammad Ayub Khan on Saturday called upon the industrialists of the country to boost up Pakistan's export potential and production capacity in order to earn more foreign exchange.



President Ayub's Visit to Beco Works as reported by the daily Pakistan Times.

Foreign exchange, he said, was needed not only for development work but also for paying back the heavy debt the country had incurred. "This foreign money has got to be returned and we want to return it and we will surely return it", he added.

The President, who visited the Batala Engineering Work-

shop (Badami Bagh) Lahore, was replying to an address of welcome by Vice-Admiral H. M. S. Chaudhury, BECO's Director of Personnel and Co-ordination. The President commended the performance of the BECO for making valuable contribution to the industrial development of the country and said that he was amazed to see the progress and expansion made by the Company during the past few years.

The President, who was accompanied by the Provincial Governor, Malik Amir Mohammad Khan and some Provincial Ministers, was taken round BECO's Technical Training School and various sections of the Workshop.

The President showed keen interest in the machines manufactured by the Company for export to Ceylon.

Referring to the points raised in the address of welcome regarding WAPDA's attitude towards BECO, President Ayub Khan said that he would look into them carefully, "although I cannot make any definite promise at this stage because I am not the final authority". The Pre-

Continued on page 13, col. 3

**istan air
ing soon**

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b in Lahore**

Staff Reporter

The Chinese Civil Aviation de-
legation, on Saturday, that the
in Pakistan and China for the
between the two countries
return to Karachi.

PRESS CONFERENCE

"The largest bicycle manufacturing plant in Pakistan is poised and ready to go into full production shortly . . .", announced Vice Admiral H.M.S. Choudri, Director BECO, in a Press Conference held at BECO's Kot Lakhpat Works.

Off the eighth mile stone from Lahore, another mile and half away from Ferozepur Road, adjacent to Kot Lakhpat Railway Station BECO's new project site is fast coming up. One of the huge sheds here is Bicycle Manufacturing Division. Set up at a cost of one and half crore the Plant installed in this Division is one of the most modern in the world and fully automatic. It will turn out 300 bicycles a day or 100,000 a year working on single shift basis.

Demand of the country is approximately 2½ lacs a year. The output of the present three bicycle manufacturing units has always fallen short of the growing demand in the country.

"BECO plan to produce 100,000 bicycles during the first year and hope to increase the output thereafter.."
Vice Admiral Choudri disclosed, "The Company has decided to produce two models, 'Popular' and 'Deluxe'."

He said, "The pattern of the bicycle" which was displayed and demonstrated to the Press Representatives, ". . . has been adopted from a famous Dutch manufacturer 'Gazelle' who has, besides



selling the patent rights, provided the necessary technical data and knowledge required for manufacture on most modern lines.

"The entire manufacture of components and parts will be done on automatic machines ensuring a high quality in toughness and finish. The chrome plating and enamelling sections are situated in dust proof shops to guarantee perfect plating and gloss." Explaining various aspects of production and Plant to the Pressmen Admiral Choudri went on to say, "The chromium plating plant is fully automatic under strict control of qualified personnel ensuring highest standards of quality. The stove enamelling plant is automatically timed and temperature controlled and this, allied to correct viscosity control, ensures maximum life and durability of gloss."

"The automic brazing plants . . ." The Admiral continued, ". . . are so far ahead of their contemporaries that there are only three in existence in the world; of these the one with BECO is the third. This plant enables the strength and resilience of the frame to be manufactured to a degree of accuracy never before put into a bicycle"

"An outstanding feature is the oilless bearings on wheels, bottom brackets and pedals. Due to this peculiar nature these bearings will outlast the normal oiled bearings and save the owner a large part of his servicing problems."

Director Incharge Works, Mr. M. Sharif Choudri, who was also

present, informed the gathering of the Pressmen that each part had to pass through a rigid inspection before assembly and for this purpose the Inspection Department had been kept absolutely independent of the Production Engineer and directly responsible to the management.

Admiral Choudri promised that a regular supply of bicycles and spare parts was being ensured through appointment of a large number of dealers in both the wings of the country. "The Company has decided" he declared, ". . . against appointment of agents as this, it is felt, tends to raise the prices and create monopoly by agents."

The Admiral said, "A highly qualified and experienced foreign engineer has been engaged as Production Incharge besides several Pakistani foreign trained engineers. The various automatic machines have been installed, run in and inspected by foreign experts of the manufacturers of these machines"

"If the present liberal policy of the Government for the import of raw material continues we are sure to meet a large part of the country's demand for bicycles which are an essential basic need for the progress of our country."

In this issue of BECO NEWS, beside President's visit, the Kot Lakhpat's bicycle plant was announced:-



Electric Motor Factory Goes into Production

An interview with Director Incharge Works

Sir, before I start my interview with you I wish to congratulate you on going into production of this most modern Electric Motor Factory. I have just now gone through this plant and am greatly impressed.

Q. *Sir, I understand that this factory has been created in cooperation with a foreign firm. Who is it and what is the background of this tieup?*

Ans: You are right. The foreign firm in question are M/s. Newman Industries, Bristol, England. But we cannot call our relations with this company a tieup. M/s. Newman have acted merely as our consultants. They supplied the motor designs and the like and further more helped in production, planning and in drafting the outlay of the factory. There are no financial interests of this firm in our enterprise.

Q. *What made you select this particular company for collaboration?*

Ans: Well, there are various reasons, M/s. Newman are ranked amongst the largest motor producers in the world and are highly reputed. Secondly they have a standard range of motor designs which are very suitable for this country. Thirdly, they are one of the very few makers, who produce vertical hollow shaft motors for bore hole pumps, which are a very important item for Pakistan. The hollow shaft motors are included in our production programme. Fourthly, there is also a point without which all this would be of no avail. They were prepared to enter into this consulting contract on reasonable terms.

Q. *May I ask what those terms were?*

Ans: I think this goes a bit too far, but let me repeat: the terms were reasonable, indeed.

Q. *How did you manage to finance this venture, specially in view of the foreign exchange component if you have no foreign partner?*

Ans: As far as the local currency component is concerned, from our own means. For the foreign exchange component, we applied through PICIC to the World Bank. A substantial loan was granted after severe scrutiny of the project, both from the technical and the commercial prospects. The fact that the loan was obtained is proof, that this venture is considered sound by international technical and commercial experts.

Q. *This sounds good, but do you not have to remit substantial amounts for interest, as well as a latter repayment of the loan?*

Ans: Of course we have to. But in case of taking in a foreign partner, one would have to remit his share of profits, and this for ever more. After all we expect to save about 70 percent of foreign exchange, out of which interests and gradual repayments can be financed.

Q. *This might indeed be the better solution in the long run. Now tell me Sir, what production do you expect from this plant?*

Ans: The outlay is planned for annually about 1,20,000 HP and we expect that we will reach this target once the teething troubles are over.

Q. *How would this affect existing capacities in other companies and also some new factories?*

Ans: It is estimated that the country will require in the years to come about 4,00,000 horse power in electric motor capacity. This leaves room for all. Perhaps the one or the other maker may have to think again about his price policy once we are in the market.

Q. *You sound very confident. What makes you believe that you can produce cheaper? Would it mean sacrificing of quality?*

Ans: By no means! We have to protect two big names in Industry, ours and that of Newman. It is the application of most modern production methods, the thorough standardisation of components and a design suitable to bring out both these factors which should enable us to produce very economically.

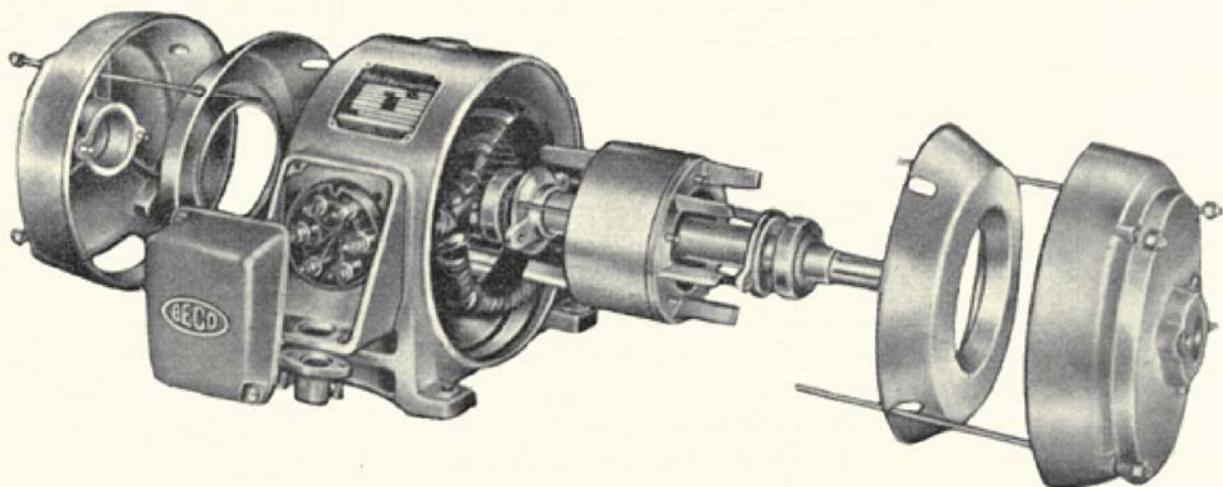
Q. *How do you go about to maintaining quality?*

Ans: Basically we follow a principle which has functioned very well in our older engineering departments. Stage inspection and final inspection by a team of independent inspectors. By "Independent" I mean, they are directly responsible to the Management. The latest measuring and test equipment is available.

Q. *You must employ a number of foreigners to achieve all this. How is your setup in this respect?*

Ans: Believe it or not: there was only one foreign engineer, Mr. Taylor, who has since left. Now we have a number of qualified mechanical and electrical engineers and technicians, all Pakistanis. We expect no difficulties in this respect. Of course right now all of them have to work very hard until at last every thing except new developments has turned into routine.

Thank you very much Sir, I wish BECO the best of luck in this venture. This great institution is an asset to the nation and every Pakistani is proud of it.



Beco Products' Demand & Favour Abroad

BECO PRODUCTS CREATE MARKET IN U.S.A.

BECO's efforts to promote export have been rewarded by a sizeable order from United States of America.

M/s. G and G Machine Works of Texas have placed an order of eight BECO Lathes of various types and one hundred BECO Deep Well Turbine Pumps on BECO. The full consignment of Lathes has been shipped while first consignment of Pumps has just left Karachi Port with the balance ready for despatch.

BECO is already exporting to Syria, Sudan, Kuwait and other Middle East countries besides Colombo.

In order to achieve balance of payment BECO is reinforcing its efforts to expand export trade.

BECO LATHES GAINING FAVOUR ABROAD

World renowned sewing machine manufacturers, the Singer Sewing Machine Company who set up workshops at Karachi with BECO machine tools for local manufacture of Singer Sewing Machines have now placed an order for BE 165 Lathes for their Colombo Workshops. The lathe which is of latest model, recently developed to international standards and specifications is being despatched to Colombo shortly.

This export adds to the number of lathes already exported to Sudan, Kuwait and U.S.A.

Humour Side of "Beco News"

"Are there any cannibals in this area?"

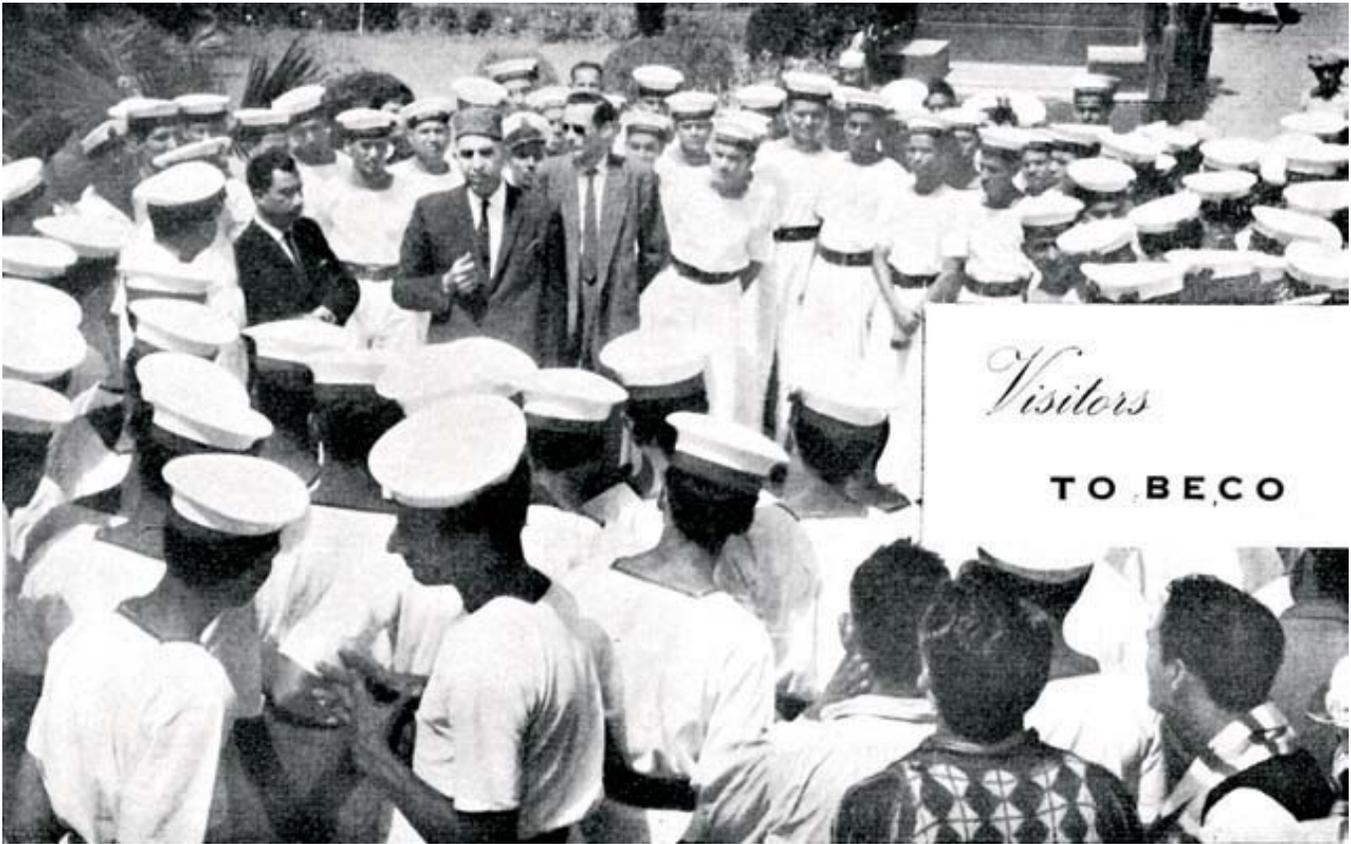
"None left Sir, we cooked the last two on Christmas eve."

— — —

"Any great man born in these parts?"

"No, our women give birth to infants only."

Pakistan Navy Contingent Visiting Beco



Details of Some Other Visitors to Beco Works, as Reported in Beco News During the Period of This Issue.

Pakistan Navy Contingent which participated in the Pakistan Day Joint Services Parade visited BECO. On arrival at Badami Bagh works the contingent, commanded by Lt/Commander S. Askari was received by the Director Personnel and Coordination Vice Admiral H.M.S. Choudri, the retired C-in-C of Pakistan Navy. After going round the various Divisions of Badami Bagh Works the Party was taken to BECO's new project site, at Kot lakhpat. Various operations were explained to the sailors by the engineers. The visiting contingent was later entertained to tea in the grassy lawns of Kot lakhpat Works.

Mr. JOHN HEILMAN, Director U.S. Agency for International Development, visited BECO Works, Badami Bagh to study the industrial development of Pakistan in the field of metal engineering. Mr. Heilman keenly studied the complex BECO plant and its wide range of products. "A most impressive industrial operation," was his spontaneous remark which he recorded in the Visitors' Book.

Mr. HSU YING, Counsellor Chinese Embassy came to BECO Works Badami Bagh on a study tour. While going

round the various divisions of works, the visitor showed particular interest in the Machine Tools Division. "This is a very big factory "he wrote in the Visitors' Book, I wish Pakistan scores increasing development in its iron and machinery manufacturing industry long live Sino-Pakistan friendship."

In order to inspect the factories and to discuss ways and means for expanding exports of BECO products and to look into the hurdles faced by the heavy industry Mr. Saud-ur-Rahman, T.Pk., Director Trade Promotion and Commercial Intelligence, Government of Pakistan visited BECO Works. Badami Bagh. After being shown round the Works Mr. Rahman conferred with the Directors of the Company. "This is my first visit to Bata Engineering Works" Mr. Saud-ur-Rahman recorded in the Visitors' Book. "I was pleasantly surprised to see the varied lines of heavy engineering products which are being turned out. It is gratifying to see that all products are made with great precision and care and also well finished. This industry should in course of time become a good export earner."

Visits of Mr. Uquali, NIPA Officers, Sir Vasey & Somali Land Delegation

Mr. N.M. UQUALI, General Manager PICIC (Pakistan Industrial Credit and Investment Corporation) was received by the Managing Director, Mr. C.M.Latif at Badamibagh Works when he paid a visit to BECO. After studying the operation and products of BECO Plant at Badami Bagh Mr. Uquali was taken to the new site at Kot Lakhpat where he was received by the Director Incharge Works, Mr. M. Sharif Choudri. He was conducted round the Electric Motor and Bicycle Divisions which are complete and the Heavy Structural Division which is under construction.



The Directors discussed with Mr. Uquali the problems which are affecting the tempo of industrial growth in the field of engineering industry.

A group of senior officers of the 5th Advanced Course of National Institute of Public Administration, Lahore came on a study tour of BECO's Badami Bagh Works. They were briefed on the working of this large industrial unit. Later, after a round of the works a debriefing session was held in the Conference Room.



Views were freely exchanged on various aspects of production, sales, pricing, labour, etc.

Sir Earnest Vasey, Resident Representative, World Bank, accompanied by Mr. David L. Gordon, the outgoing Resident Representative paid a visit to BECO Works Badami Bagh. They were received by Mr. M. Sharif Choudri, Director Incharge Works. Mr. Gordon said, "It is very interesting and impressive for me to see the Batala Works with all their varied products. I wish you continued expansion and success."

"We appreciate the fine opportunity to visit your plant and are very much impressed by your accomplishments," wrote the leader of a delegation from Somali Land in the Visitors' Book. The Delegation while on a study tour of Pakistan visited BECO Works, Badami Bagh. They were received by the Director Incharge Works and later conducted round the various Divisions of the works.

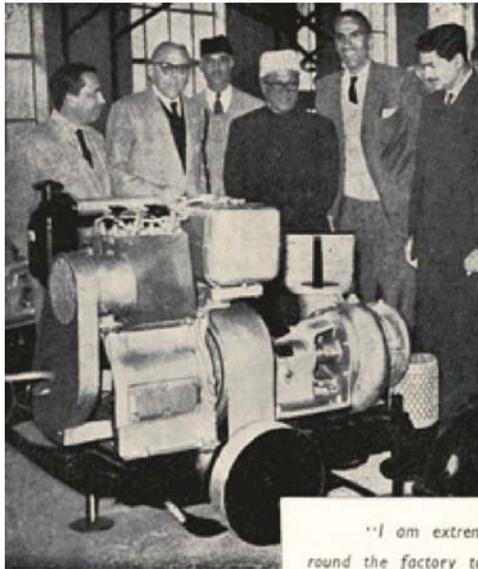


From Beco News Vol.1, No.8, 1964. The two scans are the front and back of the title page of this issue.



In the bottom top picture the minister is wearing a white cap. Mr. C.M.Latif is standing next to him on his right along with Mr. Syed Ahmed Ansari (Beco's Chief Designer), second on left is Mr. Schneider (Beco's Works Manager).

Picture on extreme bottom, shows Mr. C.M.Latif explaining to the Minister, production aspects of the Bicycle Division.



*Al-Mahmud's visit
To Beco Factories*

"I am extremely glad to visit the BECO. I went round the factory to almost every section of it. It is simply a commendable enterprise and the country can feel proud of it. The Managing Director, his associates and the workers deserve congratulations. I wish it all success in future."

Al-Mahmud
10 1 64

Mr. Abdullah Al-Mahmud,
Pakistan Minister for Industries
and Natural Resources photo-
graphed during his visit to the
two Works.



Beco Getting Worldwide Popularity

BECO LATHES IN AUSTRALIA

Users impressed by design and performance.

"The Lathe is really upto standard and we are more than pleased with it. . . ."

Commented our Australian client who imported BECO's two Lathes, model CL160. M/s. Walls Machinery PTY : Ltd, Australia, against whose order the Lathes have been exported, have placed order for another BECO Lathe model CL305.

"Both our clients and our-selves are pleased with the appearance of the Machine."

Were the spontaneous comments of Mr. W.B. Walls which he communicated soon after the first Lathe was unpacked at Sydney. A few days later the Party cabled :-

"Very pleased with Lathe have established Letter of Credit for another CL160 size. Advice delivery Wallsmach".

In a detailed letter M/s. Walls wrote :-

"The Lathe is really upto standard and we are more than pleased with it and as mentioned yesterday, now that we have seen it in operation feel it will take well on the market here . . . Would you supply the second Lathe with American spindle nose attachment and with fast speeds: 28/1250".

The second Lathe was shipped accordingly.

The third Lathe, CL305, is on its way to Australia.

BECO IN NEW YORK WORLD FAIR

In order to introduce BECO products to the world and to promote export the Trade Promotion and Commercial Intelligence Department of Government of Pakistan is exhibiting BECO Machine Tools and Pumps in the World Fair being held in New York this year.

There are 150 different pavilions representing 48 Nations of the world. More than 80 industries representing 300 Companies of America have displayed their products. It is estimated that a huge sum of 550 million dollars has been spent to put up the show which is considered to be the biggest fair ever held

The Pakistan Pavilion has been divided by the Promotion Department into three Sections——'Historic Past', 'Progressive Present' and 'Promising Future'——BECO products are being displayed in the 'Progressive Present' Section.

Two Beco Lathes, CL 160 and CL 200, and a section of Turbine Pump are being exhibited.

It may be interesting to mention here that BECO Pumps and Machine Tools are already getting popular in many foreign markets and have also found ground in U. S. A.

BECO DIESEL ENGINES IN SOUTH VIETNAM

BECO's efforts to step up export are being rewarded remarkably fast. Soon after shipment of Lathes to Australia an order from South Vietnam for High Speed and Slow Speed Diesel Engines goes on to prove that BECO products are doing well in the highly competitive world market.

M/s. Banh My Quan of South Vietnam have recently placed order on BECO for 300 High Speed and 15 Slow Speed Diesel Engines.

Diesel Engine Division inform us that 'MHI' in High Speed range and Engines of various horse powers in Slow Speed range are being prepared to be shipped to Cholon, South Vietnam.

CZECHOSLOVAK EXPERTS IN BECO

In order to survey the possibilities of setting up heavy electrical complex in Pakistan and to prepare a feasibility report on establishment of heavy industry in the country, Mr. Drafler of Czechoslovakia led a team of Czech experts to visit Pakistan. The team visited BECO Badamibagh Works for a detailed study. After going round the Plant they held discussions with the Director Incharge Badamibagh Works, Mr. M. Sharif Choudri and Engineers of the Company.

"The Delegation of Czechoslovak Socialist Republic" Wrote the leader in the Visitors' Book, "have seen the Factory of BECO in Lahore and collected some information about the production programme of that Factory. It is pleasure for us to say that we have found out that the Factory is equipped for the bigger output than it is actually producing now. We wish management the success for the future in their activity."

Some Local & Foreign Dignitaries Visiting Beco

Labour Minister Visits Beco

A few days after he was sworn in the Central Minister for Health, Labour and Social Welfare, Mr. Abd-Allah Zaheer-ud-Din, Lall Mian visited BECO Badamibagh and Kot Lakhpat Works. At Badamibagh Works he was received by the Managing Director, Mr. C. M. Latif and Director Incharge Works, Mr. M. Sharif Choudri. While being taken round the various Divisions of Works the Minister talked to the workers and enquired about their welfare, wages and their working conditions. Workers gathered round him and cheered him. He also talked to the office bearers of Beco Workers' Union. The Minister was extremely pleased by the news that Beco Lathes have been exported to U.S.A., Australia and Middle East Countries and that they were gaining ground in world market.

From Badamibagh the Minister was taken to Kot Lakhpat Works where he was received by the Director Incharge Works, Vice Admiral H. M. S. Choudri. He was conducted round the entire new project site where Bicycle Factory and Electric Motor Division have already gone into production and the Heavy Structural Division is fast coming up. He admired the bicycle manufacturing project which, he said, was the prime need of the masses. Electric Motor Division was the second Division which impressed the Minister. Mr. C.M. Latif acquainted Mr. Abd-Allah with the manufacturing programme and activities of Beco and its future projects.

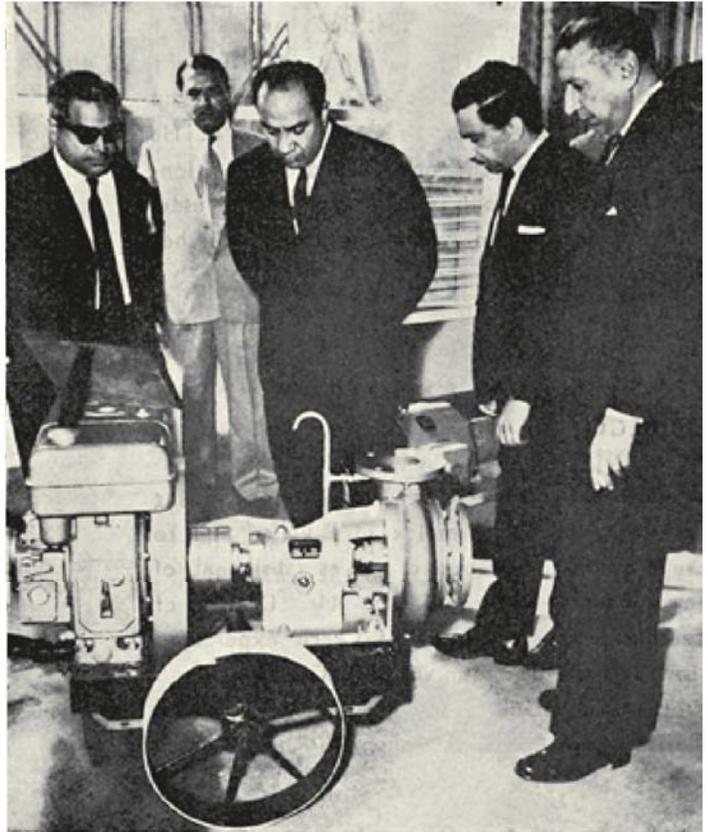
"I was delighted to see Beco,"
wrote the Central Labour Minister in the Visitors' Book, *" the biggest industry of its kind in Pakistan. I was surprised to know that products of this firm were being exported to countries like Sudan, Egypt, Syria and even to the U.S.A. They brought to my notice that they were facing some difficulties in marketing their products in East Pakistan. I assure the management that I would take up the matter with the relevant authorities with a view to seeing that these difficulties are removed"*



Some Local & Foreign Dignitaries Visiting Beco

**AFGHAN MINISTER FOR COMMRCEE
IN BADAMIBAGH WORKS**

His Excellency Mohammed Sarwar Khan, Minister for Commerce, Royal Afghan Government, who led the Transit Trade Delegation to Pakistan paid a visit to BECO's Badamibagh Works. He was received and garlanded by the Directors of the Company. The Afghan Minister who was accompanied by His Excellency Mohammed Hashim Mainwandwal, Afghan Ambassador in Pakistan, was shown round various Divisions of Works by Ch. Abdul Karim, Director Coordination. "The Delegation found the management efficient . . ." Wrote His Excellency Mohammed Sarwar Khan in the Visitors' Book, ". . . and above all it is gratifying to see that Pakistan is producing its own Textile Machinery, Lathes, Pumps, Diesel Engines etc. The Transit Delegation wishes you all success and prosperity."



The trade delegation from UAE inspecting machines at the Machine Tool Division of Beco Badami Bagh Works.

FOOD & AGRICULTURE MINISTER'S VISIT BECO

Rana Abdul Hamid, Central Minister for Food, Agriculture, Works and Rehabilitation and Kazi Abdul Kadir, Minister for Food and Agriculture, East Pakistan paid a visit to BECO Badami Bagh Works. The Ministers were received by the Director Incharge Works, Mr. M. Sharif Choudri and conducted round various divisions of works by Ch.Abdul Karim, Director Coordination.

Referring to the thousands of BECO pumping sets which are in operation all over East Wing in Lift Irrigation Scheme and for dewatering flooded low lying areas, the East Wing Agriculture Minister said, "I owe thankfulness to the Beco Management who have been catering to the requirements specially for agricultural development in East Pakistan as well as the small industrialists."

Mr. Hatch Barnwell, Chairman Agricultural Development Corporation, East Pakistan accompanied the Ministers.



Kazi Abdul Kader, Minister for Food and Agriculture, East Pakistan, performed the opening of the Dacca Water Supply Scheme by switching on one of the turbine pumps supplied and installed by Beco's agents M/s Ajax Power Industries, Dacca.



Rana Abdul Hamid, Pakistan Minster for Food and Agriculture (4th from Left) and Kazi Abdul Kadir, Minster for Food and Agriculture, East Pakistan (3rd from left) in Beco Badami Bagh Works.

The Central Minister for Food and Agriculture, Rana Abdul Hamid appreciated the role of engineering industry in the development of agriculture. "I am extremely pleased to visit this factory today. he wrote in the Visitors' Bock, "...I visited this factory last time in 1955. The change is wonderful. I can say it with pride that BECO is a factory which is really a pride of the nation. I wish them success and I hope that the labours which they have put in will be well appreciated by our Pakistani generations to come."



A page printed in Beco News from Beco's Visitors Book.

Translation:
 "Whatever we have seen in this great institution we take it with great respect. Those who run this factory, we are their well wishers and hope for their future advancement and progress".

Signed: General Noori Sadiq (Commander in Chief of Libya)

Local & Foreign Visitors to Beco

From the Beco News Vol.1, No.8, 1964 information is available about the following additional visitors to the Beco Works.

DISTINGUISHED VISITORS TO BECO

Mr. M. Aslam, Secretary Commerce, Government of Pakistan paid a visit to Badami Bagh and Kot Lakhpat Works. He was received and shown round the various Divisions by the Managing Director, Mr. C.M.Latif. The Secretary discussed with the Directors and Officers of the Company various problems of the Engineering Industry. On conclusion of his visit he wrote in the Visitors' Book :-



Mr. C.M.Latif accompanying Mr. M. Aslam visiting Beco.

"I have been greatly impressed by my visit to BECO this morning. It is wonderful to see such enterprising people working against heavy odds which are inevitable in a developing country. I wish BECO every success."

A six-man Trade Delegation of United Arab Republic headed by Mr. Mohammad Roushdi, Chairman Bank Misr and Egyptian Chambers of Commerce and Industry who visited Pakistan to probe the possibilities of expanding trade relations between Pakistan and U. A. R. visited BECO's Badamibagh Works. The Delegates were received by the Director Incharge Works Mr. M. Sharif Choudri and Director Coordination Ch. Abdul Karim and conducted round various divisions (of the works. The Head of the Delegation who had a day earlier signed a trade pact with Pakistan expressed desire to import some of BECO products. to U.A.R.

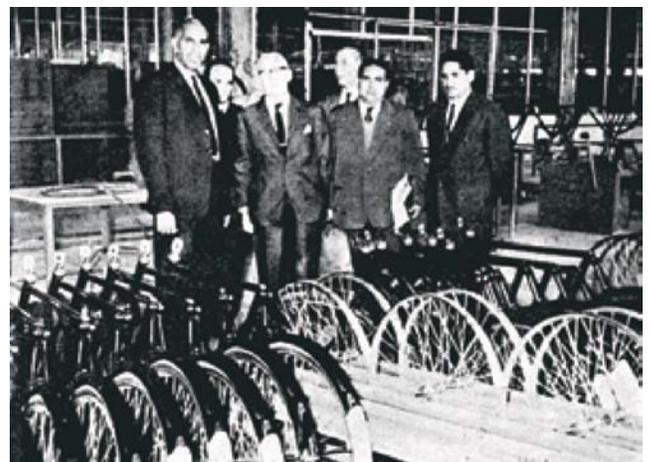
"We have admired what we have seen at this great institution," recorded General Nuri Sadik, Chief of Libyan Armed Forces, "We wish you from the bottom of our hearts progress and prosperity for the people who run this factory and our respects and admiration for them all." The General

who was on a short visit to Pakistan was received at Badami Bagh Works by the Directors of the Company. Impressed by the size of the Plant and workmanship of technicians General Nuri Sadik said that such an enterprise should get all possible encouragement because in the event of emergency it could be utilized for manufacture of essential war material.

His Excellency D. Kosovac, Commerce Minister of Yugoslavia visited Badami Bagh Works where he was received and garlanded by the Director Incharge Works, Mr. M. Sharif Choudri. The Minister was conducted round the various Divisions of Works by Vice Admiral H.M.S. Choudri, Director Incharge Kot Lakhpat Works. H. E. Kosovac, impressed by the Plant and workmanship of technicians, expressed desire "to see cooperation between Yugoslavia and Pakistan." Recording his impressions in the Visitors' Book he wrote.. "This cooperation should not remain only an exchange of commodities, I hope the Pakistan products will also find market in Yugoslavia."



Mr. Siddiq Choudri is accompanying Mr. Kasovac visiting Beco.

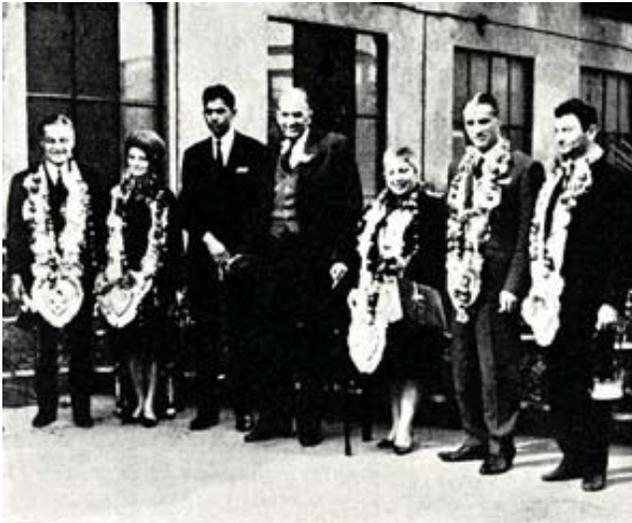


British Industries Mission at Beco Bicycle Plant.

Visitors Appreciating Beco Products

In order to assess the investment opportunities in Pakistan British Industries Mission while touring the country visited BECO Kot Lakhpat Works. The delegates who were led by Mr. F. J. E. Tearle, Managing Director Associated Electric Industries, England, were received and shown round the new project site by Vice Admiral H. M. S. Choudri. The huge automatic plant of Bicycle Manufacturing Division attracted the attention of the delegates who are leading industrialists and businessmen of England. Later Mr. M. Sharif Choudri, Director Incharge Badami Bagh Works received the members of the mission at Badami Bagh Works where they visited the various Divisions and studied the processes and standard of various products.

A six-man World Bank Economic Commission who was on a six-week tour of Pakistan to appraise the economic situation of the country and the development requirements of West Pakistan for the last year of the Second Five Year Plan visited BECO's Kot Lakhpat Works. The Mission, headed by Mr. Orville J. McDiarmid, Economic Advisor South East Asia and MiddleEast Department of the World Bank, was received by the Managing Director, Mr. C. M. Latif and Director Incharge Kot Lakhpat Works, Vice Admiral H.M.S. Choudri. The visitors after going round the entire Bicycle Plant held detailed discussions with the Directors regarding various BECO's projects and how the Company fitted into the overall development plans of the country.



Lebanese Air Team Visiting Beco.

The Lebanese Air Team which had flown into Pakistan to sign a bilateral air agreement between Lebanon and Pakistan visited Badami Bagh Works. The Team, led by Mr. Pierre Gemayal, Minister for Public Works, Lebanon,

accompanied by the directors of Air Transport were accorded warm reception on arrival at Badami Bagh. They were garlanded by the Director Incharge Works, Mr. M. Sharif Choudri. The Team was then taken round the Plant of BECO which is spread over an expanse of sixty acres.

The visitors when informed that BECO was exporting diesel engines to Syria, machine tools to Sudan, Egypt, Australia and even to America, suggested that BECO should open an office at Beirut. BECO's representatives, they said, would be welcome in their country.

His Excellency Khalifa Khalid Al-Ghunaim, Kuwaiti Minister of Commerce, paid rich tributes to BECO's role in the prosperity of Pakistan. The Minister, while on a tour to Pakistan visited BECO Badami Bagh Works. He was accorded warm reception by the Directors of the Company. While going round the huge plant the visiting Minister expressed desire, to strengthen trade relation between Kuwait and Pakistan.

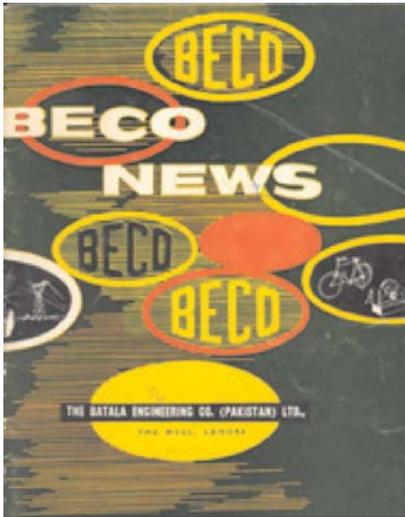


Mr. C.M.Latif is accompanying Federal Minister for Health & Manpower Mr. Abdullah Zahir-ud-Din visiting Beco.



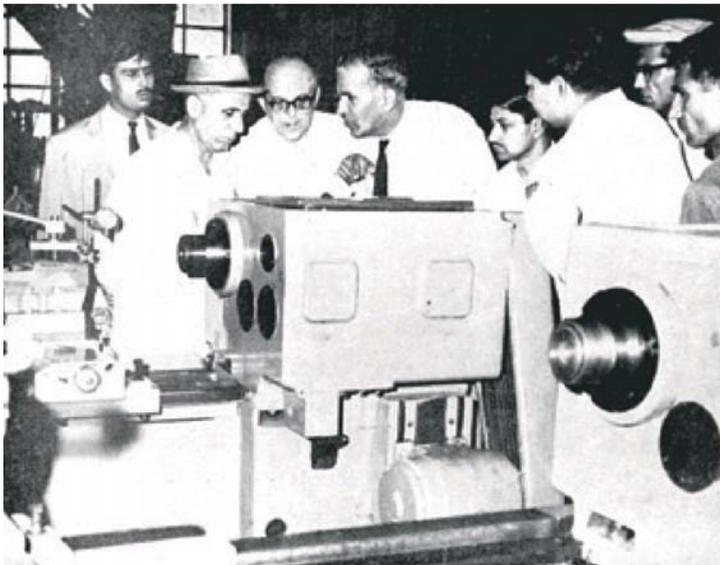
Mr. Siddiq Choudri is accompanying the Federal Minister of Industries.

Beco's Honour of Training Saudi Technicians



The cover of Vol.I, No.12, 1967. This is the last "Beco News" which was recovered.

R: A Bailey Bridge on River Ravi near Lahore which was manufactured and supplied by BECO.



Mr. Amir Mohammad Khan, C.S.P., Secretary Agriculture, Government of West Pakistan, with Mr. C.M.Latif.



President Field Marshal Mohammad Ayub Khan. Visiting the BECO stall during the Basic Democracies Convention Held at Burni Garden, Lahore.

TRAINING OF SAUDI TECHNICIANS AT BECO ROLLING MILLS, KARACHI (The Beco News Report)

The problems of the Muslim countries are common and Pakistan does her best to help her Muslim brethren whenever and wherever possible. Recently, BECO has come forward with an offer to train four Saudi Arabian technicians in their rolling mills in Karachi. Two of them are already

under training and two more are expected shortly. As a gesture of goodwill BECO is providing these trainees free boarding during their period of training and also free transport to and from their place of work. The period of training is six months on completion of which they will be competent to operate Saudi Arabia's first re-rolling mill which is to be set up in Jeddah shortly. BECO wishes them every success in their endeavors and continued good relations between Pakistan and Saudi Arabia.

Latif Explains Beco Products At An Exhibition



Specimen of Beco Stationery used in 1950's and early 1960's.



Col. Troxler, Tak Consultant, Wapda Canal Project, 1963 flanked by Mr. Mahmood and Mr. Schneider while walking through Beco Badami Bagh.



Specimen of Beco Stationery used in late 1960's early 1970's before the company was taken over by the Government of Pakistan.



Mr. Latif explaining to the Distinguished guests about Beco Products at an exhibition.

The Story Of Beco Concrete Mixers

Eversince man first started to build he had been seeking a material that would bind sand and stones into a solid, formed mass. The Assyrians and Babylonians used clay for this purpose and the ancient Egyptians advanced to the discovery of lime and gypsum as a cementing agent. The Greeks made further improvements and the Romans developed a cement by mixing slaked lime with volcanic ash. Roman cement became popular within a very short period. It was commonly used in the construction of culverts, pavements, bridges and residential buildings, some of which still survive in excellent state of preservation. Until 1800, when cement was discovered, lime remained the principal cementing material. However, the large scale production of 'Portland Cement' began with the invention of rotary kiln in 1892.



Beco's Mixer at Work in Building Minar-i-Pakistan.

The word 'concrete' is taken from Latin 'concretus' which means an artificial stone. In modern sense, concrete is a building material consisting of a mixture in which a paste of Portland cement and water binds inner aggregates into a rockable mass as the paste hardens through chemical reaction of the cement with water. The concrete being a modern invention has replaced stones and clay bricks which previously had been regarded as the only and the essential building material. Within a decade of its discovery the concrete construction became very popular. With the passage of time it came into great use, particularly in the erection of huge buildings, farm structures, airport runways, irrigation structures, pipes, harbours, docks, national monuments, barrages and multitude of other major construction projects.

The reinforced concrete is another developed system of construction in which steel bars too are used. Now-a-days it has become very popular and is commonly utilized in the construction of various hydel projects, barrages, roofs and other engineering works. The use of concrete in construction has opened new avenues for various industries i.e., concrete bricks, pipes, concrete building blocks, roofing tiles, slabs, sheets and artificial stones. But it is to be understood here that a machine has played a very important role in popularizing the concrete construction all over the globe. This equipment is commonly called as 'The Concrete Mixer' which only can assure that every batch of a mix will result in the concrete of the same uniform quality. On one hand it saves a lot of time, labour and money and on the other

hand it assures durability as well as uniformity in construction. Above all it accelerates the speed of work as its only function is to mix a large quantity of concrete with cement in the shortest possible time. Thus it can rightly be said that the invention of the Concrete Mixers has opened a new era in the field of 'Construction Engineering'.

Pakistan though a newly born country, is rapidly heading towards progress and prosperity. As the people and Government of Pakistan were determined to remove the industrial and agricultural backwardness of their country, it was decided to construct a network of barrages, projects, factories and industrial concerns in both the wings of the country.

In view of the proposed projects and barrages of the Indus Basin and industrial development of the country, The Batala Engineering Company (Pak) Ltd., in the year 1957 set up a 'Concrete Mixers



Division' at its Badami Bagh Works. The division was expected to produce more durable and useful Concrete Mixers on large scale. The design of the Concrete Mixer was prepared by the Design Department of BECO after a series of scientific experiments and trials. The first model of the Concrete Mixer was completed in January, 1958 and was named as C. M. 7T.

The drum of our pioneer model revolves on a concrete steel post supported in a steel cradle bracket. The drum is tilted by the rotation of a large diameter steel hand wheel which is geared to an internally toothed wheel attached to the cradle. An automatic lock is fitted for three positions of the drum i.e., fill, mix and discharge.

The hopper of this model is low and wide enough to facilitate easy loading of a full batch. It is built of heavy gauge steel plate and reinforced by Steel flats to withstand the shocks and load. Power for the revolving of drum and elevating of hopper is provided by a BECO High Speed Diesel Engine, Model MH1 or a BECO Electric Motor of 7.5 H.P.

An automatic water tank is fitted on the top of the mixer. The adjuster of the tank is set to the required quantity which permits only the fixed quantity of water to flow into the drum. The mixer is mounted on a trolley with 4 solid disc type or alternately rubber wheels. This model has a mixing capacity of 10-7 cubic feet and is very easy to operate it. The pioneer model of our Concrete Mixers, within a very

The Story Of Beco Concrete Mixers

Short period, earned countrywide reputation and was popularly known as 'BECO Tilting Drum Concrete Mixer'. The Company was proud on the role played by our pioneer mixer in the national development of the country.

The year 1958 being a landmark in the history of Pakistan brought economic stability and rapid growth of industry into the country. Consequently, the demand of our Concrete Mixers was greatly increased. The Engineers and the



Designing Department of BECO too were aware of the situation and had all the time been busy in improving the original design so that it could successfully meet the increased requirements of the future construction projects. In the year 1962 their sincere efforts bore fruit and model C. M. 17. NT. was introduced to the constructors.

This new model was a heavy duty batch type concrete mixer which was particularly designed and developed to meet the demands of modern heavy building industry, dams, drainage and other huge constructional works in the country. Because of its high mixed batch capacity, this model is designed as non-tilting type, incorporating the construction features of mechanical and structural engineering. This mixer is highly suitable for thorough mixed wet or dry concrete, mortar plaster and is also coupled with an automatic water tank.

The non-tilting type drum of large diameter is fabricated from arc-welded heavy gauge steel plates. Thorough mixing of the material is ensured by fitting specially shaped steel mixing blades inside the drum. A low and wide loading hopper which is fabricated from rolled steel plates, is fitted with the mixer and its raising and lowering is done by means of strong and flexible steel wire ropes. The power is provided by BECO High Speed Diesel Engine PY-2 or BECO Electric Motor of 15 H. P. Despite its utility and durability, this model has been priced to be within the reach of even small contractors who find it inconvenient and sometimes even impossible to hire such equipment from the Construction Supervising Department. This mixer can be utilized in large constructional works in which thousands of tons of concrete and hundreds of labourers are involved.

The success and popularity of the aforementioned models of our concrete mixers was a matter of pride and pleasure for the management and the workers of BECO. But the Engineers of the Company still desired to introduce

another model which could combine in itself the predominant qualities of both the previous models with maximum possible improvements.

The year 1965 opened a new era in the history of 'Concrete Mixer Manufacturing' as well as of The Batala Engineering Company as it witnessed the introduction of another more useful model of 'The Concrete Mixer'. The new Model had the mixing capacity of 7-5 cubic feet and on account of its automatic gear system it was named as 'Reversing Drum Concrete Mixer' Model C. M. 5 NTR.

Unlike the previous models it is not coupled with an automatic water tank. On the other hand its adjuster is set on the required quantity and the pipe of the mixer is connected with any running tap. The valve which has been fitted inside the pipe of the mixer, will automatically refuse to admit surplus quantity of water.

A gear box is fitted with the mixer which ensures the forward and reverse revolving of the drum within shortest possible time and only with a single change of gear the delivery of the mixed material is taken just on the application of the reverse gear. This model has over simplified the operation of concrete mixers and, has accelerated the speed of its output. The power can be provided by BECO High Speed Diesel Engine MHI or BECO Electric Motor of 5 H. P. This model is mounted on a 4-wheel trolley with rubber tyres.

In order to ensure the quicker supply of concrete mixers to the consumers the Beco has been producing these equipments on a large scale. The highest degree of interchangeability of their components too is



ensured by machining all parts with greatest care, under strict supervision and after series of scientific trials. Each mixer is despatched only after thorough inspection.

As we are living in the age of mass production, we see heavy constructional works going on everywhere around us. But wherever we go we find 'BECO' concrete mixers sharing the work of hundreds of labourers engaged at the site. In the last decade the Beco concrete mixers have been used in the construction of various barrages, hydel projects, picture houses, college buildings, university campuses, hospitals, industrial concerns, housing colonies, concrete bedding of canals and huge public as well as private buildings.

Beco Gets Contract for Gates & Hoists of Chasma-Jhelum Link Canal

In the past the Beco have played a very important role in the various projects of national development in the country. Recently, in lieu of its past achievements, The Beco has been selected once again to perform another national service. Beco and eleven other firms of global repute, participated in the bidding out of which only three were Pakistani. But Beco's tender, being the lowest, was accepted. Under this contract Beco has been entrusted the procurement of Gates and Hoists for Chasma-Jhelum Link Canal.



Mr. C.M.Latif receiving the Contract From Mr. A.G.N.Kazi, Chairman WAPDA.

It may be recalled here that the purpose of the construction of various Link Canals under the Indus Basin Projects was to divert the surplus water of the rivers which flow in the north of the country to those rivers which remain dry for a long time during every year. Chasttla-Jhelum Link Canal is being constructed between the river Indus and Jhelum. It will be 63 feet long, 325 feet wide and a flood discharge capacity of 21,700 cusecs.



Officers of Wapda, Tipton, Kalmbach and Coode and Partners Visiting Structural Shop at Kot Lakhpat Works.

Beco will procure 48 gates of 24' x 11' size for this link Canal which will be erected on the different places. Simultaneously Beco will also supply eight distributary gates of 6' x 4' size.

It may also be remembered that Beco has already supplied the Regulator Gates for Trimmu-Sidhnai Link Canal and Guddu Barrage. Currently Beco is undertaking the fabrication, supply and erection of Gates of the Rasul Barrage.

SUPPLY OF PUMPING SETS TO AFGHANISTAN:

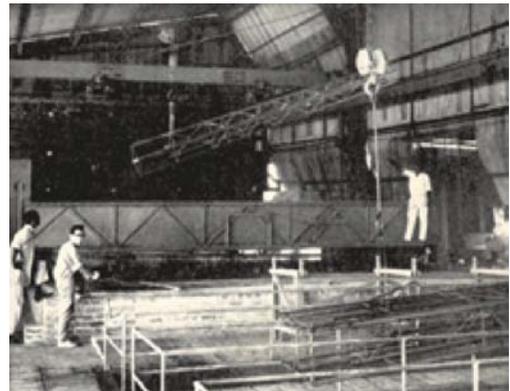
A contract for the supply of 200 Pumping Sets was signed between the Batala Engineering Company (Pakistan) Ltd., and The Royal Afghan Government. Vice Admiral H.M.S. Choudhri signed on behalf of the Company while Mr. M. Y. Mayel, Deputy Minister for Agriculture signed the agreement on behalf of Afghan Government.



Admiral Siddiq Signing the Contract for Supply and Erection.

The Pumping Sets will be used for the Agricultural Extension and Mechanization Programme of the Afghan Government. The order involved about Rupees Twenty Lacs and its supplies had been completed. It is expected that with the relations between the two brotherly countries developing as they are, more and more trade will grow.

The deal came as a sequel to the visit of Admiral Chaudhri to Afghan Capital, where he was already well-known since the days he commanded the Pakistan Navy. On his return the Admiral informed our correspondent that tremendous goodwill existed in Afghanistan for their Pakistani brethren and there were very good prospects for enlargement of trade between the two countries. "This in turn", he said, "will bring the two neighbours closer together".



The Beco's Galvanizing Plant.

Clippings Scanned From the Beco News Issues of the Year 1967

Rasul Barrage

26th of January, 1965 was the opening date for the tenders which had been invited for the fabrication, supply and erection of the Radial Gates and gearings for the proposed Rasul Barrage. BECO was the only national engineering concern which tendered for the work. Other competitors of BECO included eighteen foreign firms of international repute from West Germany, Japan, United Kingdom, Austria and Portugal.

The Rasul Barrage is the fourth project to be constructed under the Indus Basin Projects. However, it may be recalled that the fabrication and erection of the regulator gates was not a new assignment for BECO as it had already supplied the Regulator Gates for Trimmu-Sidhnai Link Canal and Guddu Barrage. The flawless fabrication, erection and performance of these gates have made it clear to the whole world that the engineering industry of Pakistan can compete the most advanced nations of the universe and is competent enough to meet the every day increasing demands of the country which has got to very short history of its existence. Moreover, the successful completion of these projects brought honour to the nation, workers and management of BECO. WAPDA Authorities and Consultants too were aware of the achievements of BECO which has got 33 years long experience at its credit in technical know-how and engineering industry.

The opening of the tenders was of great significance as it brought another eye of pride and pleasure for the workers of BECO. The tender of BECO, being the lowest among all the competitors, was accepted. Thus, the Company was given another chance to take part in the projects of national development and prosperity. The past experience and achievements of BECO accelerated the issuance of final approval of the tender by the authorities. The inauguration of this era, practically, took place on 19th October, 1965 when the Batala Engineering Company received the order for the fabrication, supply and erection of Radial Type Regulator Gates for the Barrage. Soon after the receipt of the order, the work was started both inside Company's structural division and at the site.

The Barrage is being built on the River Jhelum at about two and a half miles downstream of the existing Rasul Weir and fifty miles from Gujrat. It may also be recalled that the Rasul Barrage will be 2,309 feet long and competent enough for the maximum discharge of 8,50,000 cusecs.

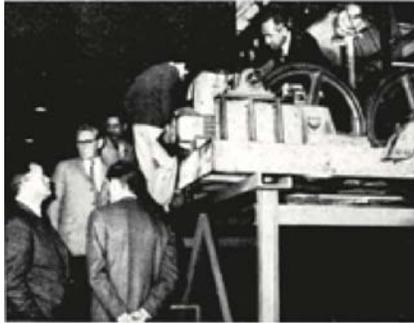
There will be altogether 56 Radial Type Regulator Gates for the main barrage and they will constitute the opening for it. Forty-two Gates of the Barrage will be 60' x 18' and six will be 60' x 22½'. Moreover eight Regulator Gates and Gearings for Rasul Qadirabad-Link canal and feeder will also be fabricated and erected by BECO. The execution of the work is going on in accordance with the schedule. Thirty-two Gates have already been erected. The fabrication of the rest of the Gates is being done at a godspeed. It may also be recalled here that BECO is fabricating these Regulator Gates in association with M/s. Terni of Italy.



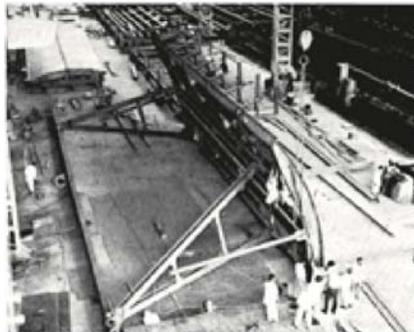
A View of Rasul Barrage.



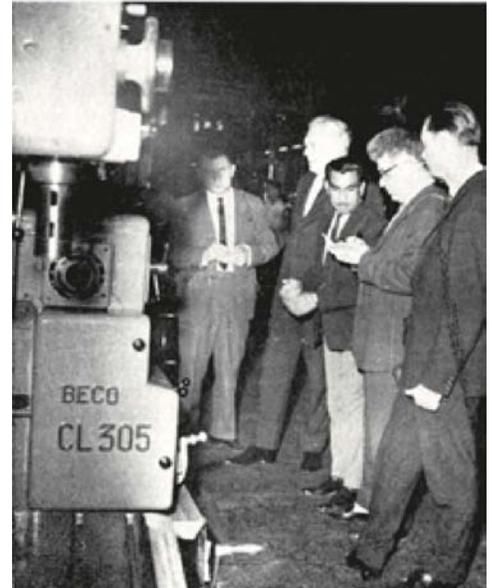
Mr. C.M. Latif Managing Director BECO Addressing the Press Conference at Badami Bagh Works.



Coode and Partners Engineers Visiting Badami Bagh Works.



An Indoor View of Structural Shop of Kot Lakhpat Works Showing the Construction of Gates for Rasul Barrage.



Russian Journalist Visiting Machine Tools Shop at Badami Bagh Works.



Mr. A. V. Sidorenko With Vice Admiral Choudri.

RUSSIAN MINISTER'S VISIT

Recently Mr. A. V. Sidorenko, Soviet Minister of Geology visited BECO Kot Lakhpat Works. He was accompanied by the Russian Ambassador in Pakistan. The distinguished guests were received by Director Incharge Works Vice Admiral H.M.S. Choudri and were taken round on a detailed visit of the various manufacturing divisions. Mr. Arif Latif, Works Manager during the discussion informed the worthy visitors about the achievements and activities of BECO. Mr. Sidorenko was impressed to see BECO Works and products. While recording his impression he wrote:—

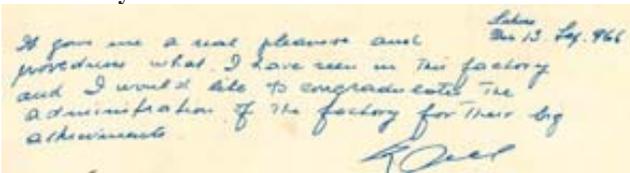
"With interest we have seen your enterprise which starts the machine building. Wishing success to you."

Details of Some Other Visitors as Recorded in Beco News, Vol. I No 12, 1967

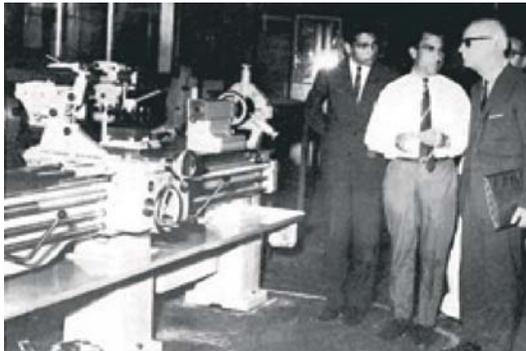
TURKISH AMBASSADOR

His Excellency Sinasi Orel, the Ambassador of Turkish Republic in Pakistan visited BECO's Badami Bagh Works. The distinguished visitor was received by Vice Admiral H. M. S. Choudri, the Officiating Managing Director of the Company and was taken round on a detailed visit of various manufacturing divisions of the works. During his discussion with the Directors of the Company, the honourable ambassador remarked that the export of BECO products would further promote friendship among the R. C. D. countries.

Recording his impression in the Visitors' Book His Excellency wrote:-



"It gave me real pleasure and pride to see what I have seen in this factory and I would like to congratulate the administration of the Factory for their big achievements".



The Turkish Ambassador with Mr. Khalil Akhtar Khan, (Editor Beco News).

INDUSTRIALISTS FROM TURKEY

Distinguished industrialists from Turkish Republic visited BECO's Badami Bagh Works. The worthy visitors were received by BECO's Chief Designer, Mr. S.A. Ansari who took them round various manufacturing divisions. The members of the delegation were impressed to see the quality and standard of various Beco products.



Visit of the Turkish Industrialists.

INTERNATIONAL FINANCE CORPORATION (IFC)

"Very remarkable, interesting and well constructed firm" were the remarks recorded in the Visitors Book by Dr. Jangten, leader of the delegation of International Finance Corporation. The delegation which consisted of three members, came to see BECO's Badami Bagh and Kot Lakhpat Works during its recent visit to West Pakistan. At Badami Bagh Works the delegation was received by Ch. Abdul Karim, Director Coordination. After going round various divisions at Badami Bagh Works, the delegation was taken to Kot Lakhpat Works where it was received by Vice Admiral H. M. S. Choudri, Director Incharge Kot Lakhpat Works. Later the members of the delegation went round the various divisions with Mr. Arif Latif.

Vice Admiral Choudri discussed in general problems faced by the engineering industry in Pakistan. The members of the delegation appreciated the achievements of BECO which despite multitude of problems and handicaps had performed "so well". **Delegation also expressed the opinion that the existence of such an industrial complex should be, in reality, a matter of pride and pleasure for the whole nation.**



Visit of a Japanese Youth Goodwill Mission.



(Left): Governor West Pakistan, General Mohammad Musa Khan, inspecting slow speed diesel engine.



(Right): Russian Minister for Geology, Mr. A.V.Sidorenko along with Mr. Arif Latif, Works Manager Kot Lakhpath Works Inspecting Beco Products.

Manufacturing the BECO-IWAMA LOOMS

By the year 1968 the Power Loom Division at Badami Bagh Works had started making BECO-IWAMA looms under a contract with the Japanese Company.



A Section of Automatic Loom Division Manufacturing BECO-Iwama Looms.



A Model of Beco-Iwama Loom.



Mr. C.M.Latif (middle) with Mr.Iwama and Other Japanese Personals.



Mr. C.M.Latif, with his hands raised, addressing an informal gathering of BECO directors and other officials on the occasion of a Tea Party for Mr. Iwama (of Nagya, Japan) at 2, Kashmir Road, Lahore. Mr. Iwama is sitting in the middle. Nighat Latif, Beco Commercial Secretary, is on left of Mr. Iwama.



Mr. C.M.Latif With Distinguished Guests at Beco Badami Bagh Works.

Beco's Milestone in Bicycle Manufacturing



Admiral Siddiq Choudri with a Japanese Delegation at the Bicycle Division, Kot Lakhpath Works, Lahore.

On the right: Begum Liaquat with hands on a Beco bicycle, Mrs. Raffia Siddiq Choudri is standing behind her and Admiral Siddiq Choudri on extreme right.

Below: A section of the bicycle division with Mr. Arif Latif (Director), 6th from the left and some of his co-workers, at Kot Lakhpat Beco Works, Lahore.



The Beco Board of Directors Meeting in 1968



(left to right): Ch. Abdul Karim, Arif Latif, C.M.Latif, Abdul Rahman Khan, (Retd) Admiral H.M.S.Choudri.

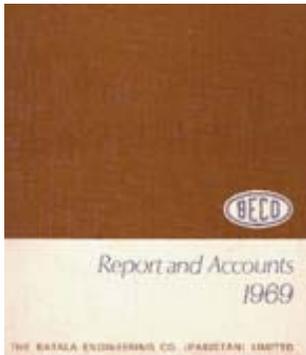


The Board in Discussion at Mr. C.M.Latif's Working Desk.



Mr. C.M.Latif at Work in His Office.

Some Expansion Plans: Ring Spinning Frames & Demonstration Textile Mill



The annual accounts of the company for the years 1969 and 1970 revealed massive expansion plans were in the pipeline before the sabotaging act of the then Pakistan Government by Taking-over followed by Nationalization of the Company on 3rd January, 1972.

Following are details of these plans extracted from the Directors report for the year 1969.

The shareholders will recall the circular issued by the Company dated 7th May, 1969 regarding our expansion plans. The Directors are pleased to inform that the Company has entered into a manufacturing licence agreement with a world famous textile machinery manufacturer, Messrs. Toyoda Automatic Loom Works Ltd., Japan for manufacture of ring spinning frames. Toyoda will also provide seven of their technicians to work in Pakistan for a period of four years.

The directors are further pleased to inform that negotiations for the grant of foreign currency loan equivalent to rupees three crores by the International Finance Corporation and PICIC are in an advanced stage and are nearing finalization.

The Company has already undertaken the construction of the building to house the new division for the manufacture of ring spinning frames in our Kot Lakhpat Works. The building for the installation of the Demonstration Textile Mill which will also be installed to prove by actual performance under commercial working conditions the production efficiency of our looms (which are already being manufactured by us) and ring spinning frames is in the planning stage.

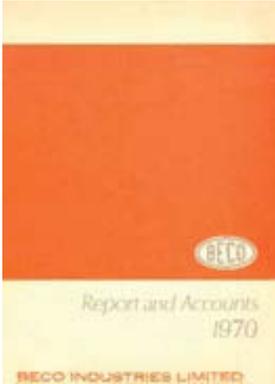
The directors are confident that the projected expansion plan which is being undertaken to give effect to the unanimous resolution of shareholders, dated 28-9-1968 when completed should be given peaceful working conditions, further consolidate and strengthen already sound economic basis of the company ensuring continued financial benefit of the shareholders.

**This factory was never set up by the Government after Nationalization.
The imported machinery along with the construction done till end of Dec, 1971 was sold off.**



Pictures showing the type of machinery manufactured for the Ring Spinning Frames Project.

The Mini-Steel Mill Project



The Project for manufacture of ring spinning frames and installation of demonstration textile mill has not yet materialized due to delay in the final sanction of the Scheme by the Central Government inspite of the fact that foreign currency loan by International Finance Corporation, Washington and PICIC, Karachi had been sanctioned for the project.

IFC also wanted assurance from the Government of Pakistan that the existing discrimination against the local manufacturing of ring spinning frames due to raw material, components and parts being importable under bonus and cash-cum-bonus and the finished ring spinning frames being imported under cash licences (foreign loans, etc.), will be removed. Although full fourteen months have elapsed, yet no decision has been communicated by the Government to the IFC, Washington.

The Company has now formulated and submitted a new project to the Government for installation of mini-

steel mill for the annual production of 100,000 tons of steel billets which will be mainly used in our own rolling mills. The raw material used will be steel re-meltable scrap and imported pre-reduced metallized pellets. We have made all arrangements with regard to early implementation of this project. This scheme is now awaiting to be placed in the next meeting of CIPCOC which is expected to be held after the general elections in the country.

IT IS AN IRONY OF FATE THAT ON THE ONE HAND DUE TO PREVAILING ECONOMIC CONDITIONS IN THE COUNTRY. ENTREPRENEURS ARE RELUCTANT TO EMBARK ON NEW PROJECTS, ESPECIALLY IN THE METAL ENGINEERING INDUSTRY. WHILE ON THE OTHER HAND PROJECTS READY FOR IMPLEMENTATION WAIT FOR YEARS FOR GOVERNMENT DECISION AND SANCTION.

THE GOVERNMENTAL PROCEDURE IS SLOW AND NERVE-BREAKING AND ONE GETS COMPLETELY FRUSTRATED DUE TO CONTINUED INDICISION. ON ACCOUNT OF DELAY IN DECISION-MAKING, LARGE INVESTMENT ALREADY INCURRED AND A LARGE PART OF THE COMPANY'S CASH FINANCIAL RESOURCES HAVE BEEN UNPRODUCTIVE.



Pictures above show what type of machinery installation is done, to call it a Mini-Steel Mill for the production of Steel Billets.

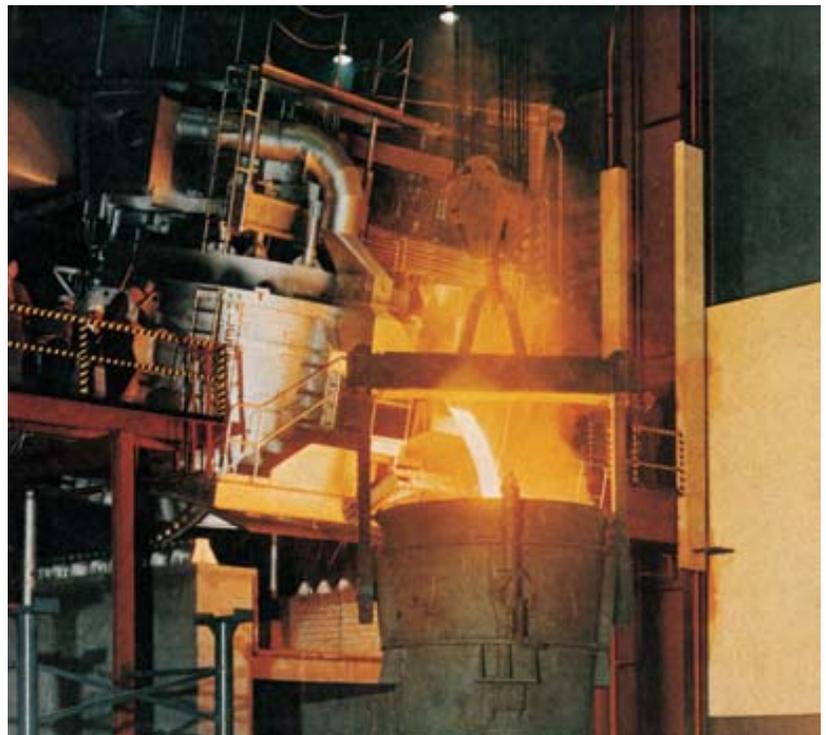
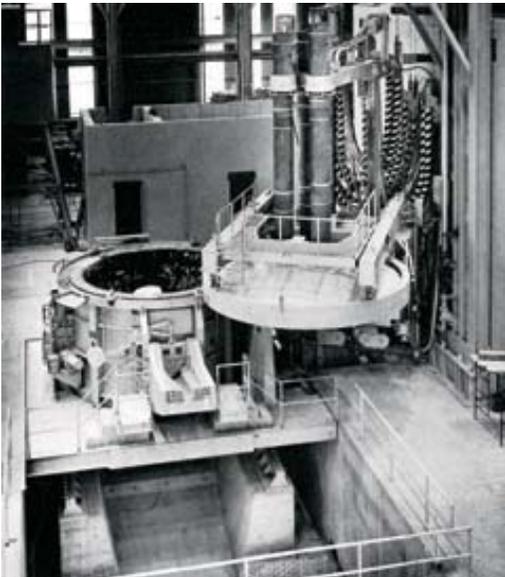


More pictures on next page

A scanned image of a small portion of the contract in respect of Beco's Mini Steel Mill Project.

The Tragic Fate of the Mini-Mill

The Mini-Mill was never setup by the Government after nationalization and all the work done for the successful execution of the project went waste.



The Villains Engaged in Company's Destruction

The annual accounts of the year 1970 also reveal that the Company's labour despite having all the facilities and good future prospectus, as the Company was continuously expanding, had started on a course of systematic demolition of the working environment for personal and individual benefits, of what had been accomplished over the last 20 years or so.

Now, looking back in time at this aspect, it is very clear that they had an equal hand in the destruction of the company besides other Government Functionaries.

MANAGEMENT-LABOUR RELATIONSHIP

Shareholders are aware that the installed capacity of the various divisions of BECO can produce goods worth more than Rs. 20 crores per annum. We regret to say that inspite of chronic under-utilization of the installed capacity and the general economic stagnation prevailing in the country during the year under report, the Company has been carrying a large labour force on its pay-roll to avoid any further aggravation of unemployment situation in the country.

Inspite of the above situation, unfortunately the selfish and self-styled elements misguided and persuaded the workers of BECO Badami Bagh Works to go on strike from 11th November, 1970. This strike has failed. More than 80% of the workers have been attending to their jobs from the very first day of the commencement of the strike. The Company is really sorry for the loss of wages of those workers who have abstained from work during the strike period.

The BECO management strongly believes in healthy trade unionism and there has existed a registered and duly recognized BECO Workers Union, elected freely by the workers of Badami Bagh Works since 1950. **The whole trouble arose when another union by the name of BECO Mazdoor Union was formed and got registered by an outside self-seeker and self-styled labour leader.**

Amongst other amenities made available to the employees of BECO the following deserve special attention:-

(a) Provident Fund: BECO started the Scheme of recognized Provident Fund in the year 1944 when a Company was still in Batala (India). The same was continued after revival of the Company in Pakistan. This Fund which now stands at Rs. 30 lakh, is administered by BECO Employees Provident Fund Trust Society, including representatives of the employees.

(b) Bonus: BECO takes pride of place for having introduced the Bonus Scheme for their workers, commencing from the year 1953. They have continued to pay bonus at the end of every financial year to all its employees. The highest rate of bonus given was 75 days salary in a year. Although no dividend was paid to the BECO shareholders consecutively for four years from 1962 to 1965, yet the Company continued to pay the bonus to its workers without break.

(c) Workers Participation Fund: BECO has already enforced Workers Participation Fund contributing 2½% of its profits which now amounts to Rs. 1,430,511/-.

(d) Piece Work: The management believes that workers who work hard and produce more, should be paid correspondingly. Consequently, BECO introduced "Piece Work System" in all machine divisions in 1957. Thanks to the co-operation and understanding of this system by the workers, the workers are now able to earn a good deal more than their normal wages. Many hard working persons earn more than double their normal wages through this system.

(e) Canteens: Canteens are managed in both Works and supervised by a committee consisting mostly of workers.

(f) Medical Facilities: Dispensaries under the supervision of qualified doctors are maintained at both Works. Serious cases are referred to hospitals and specialists by the Company's doctors at the cost of the Company.

(g) Leave Allowances: Every worker is allowed 22 days full pay leave, 10 full paid holidays and 15 days sick leave on half-pay per annum.

(h) Interim Relief, etc.: The Company continues to pay interim relief to its employees and has fully implemented the new Labour Policy and payment of minimum wages.

The management is fully conscious of the hardships being faced by its employees on account of ever-increasing cost of living in the country. The Company is in a dilemma as to how to meet the situation. On the one hand the Company is being priced out because of the chronic under-utilization of its productive capacity and on account of its paying higher emoluments and giving many more facilities to its employees than the general level of wages paid by our competitors in the engineering industry. Unfortunately the work per man-hour is relatively going down, thus rendering the manufacturing operation uneconomical. Furthermore, new fantastic demands are being made by irresponsible and self-seeking elements which are entirely beyond the resources of the Company.

The Company has also to meet its obligations to approximately 3,500 shareholders who have invested their hard-earned savings in this national undertaking.

The Directors of the Company assure all the employees that resources permitting, they will try their level best to meet their legitimate demands as before.

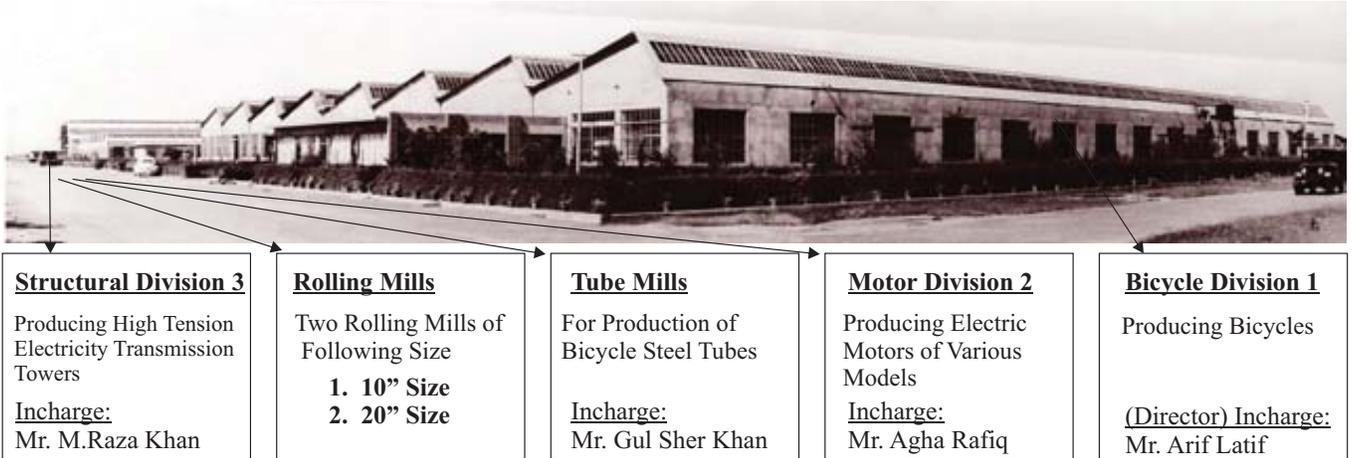
The Directors are pleased to note that relations amongst the supervisory staff of both Works and the managerial and office staff in all Company's offices, including all the workers of Kot lakhpat and Badami Bagh Works (except a small minority) have been very cordial. By and large they appreciate the difficult situation which the Company is facing. The Directors are very much appreciative and grateful to the employees for their understanding and co-operation.

The Beco Additional Product Line in 1971

On page 151 a picture of the works as it was in the early 1960's has been given. Below is a larger picture of the works at it was in the late 1960's. These pictures only show side views as no picture with an aerial view was recovered.

They were and are still in 2005 called **BECO Kot Lakhpat Works, spread over an area of 200 acres.**

Below is given the product line which was established by late 1960's and the ones which were in the expansion plan.



Product-line which was already established by year 1971, before take-over and nationalization of shares:-



Irrigational Gates, Storage Tanks, etc.



Electric Motors



Bicycles

Product-line which was to be added under expansion plan after the year 1971:-



Billets, as in the picture on left.



Demonstrative Textile Mill Products:-

- (1). Yarn.
- (2). Cloth

Ring Spinning Frames, as in the picture on right.

A Peep into Company's 1970 Accounts

Below are the main four pages of Company accounts as on 30th June, 1970, one year before the take-over by the Pakistan Government on 3rd Jan, 1972. On the following page these accounts have been compared with the accounts of the 1950's and then with the year 2005 to arrive at a **perspective conclusion**.

BALANCE SHEET AS			
30-6-1969	Capital and Liabilities	Amount	Total 30-6-1970
	Schedule		
	SHARE HOLDERS EQUITY		
	Share capital	A' 5,04,82,000	
5,37,67,667	Funds and surplus	E' 4,61,40,046	9,70,22,096
	LONG TERM DEBTS		
	Loans	C' 53,64,289	
69,16,276	Workers' participation fund	14,30,511	67,94,804
	SPECIFIC RESERVE		
	Taxation Reserve	D' 23,76,704	
1,43,83,877	Depreciation reserve	3,33,96,430	3,57,73,139
	CURRENT LIABILITIES		
	Bankers' overdrafts against stocks and stores	26,78,321	
1,37,61,498	Deposits and advances	38,82,938	
	For expenses	33,35,699	
24,84,476	For goods supplied	42,23,439	
	For other amounts	23,43,842	
20,42,756	For unpaid dividend	3,78,463	
1,95,364	Due to Managing Agents	20,10,831	1,91,53,525
2,86,07,376			
16,46,77,316			Total Rs. 15,87,43,564

Notes:
 (1) Figures have been rearranged and rounded off to nearest rupee.
 (2) The Schedules and Notes form part of these accounts.
 (3) 7½% Cumulative Preference Shares are redeemable at par any time at the option of the Company with a three months notice.
 (4) Contingent liabilities amounted to Rs. 16,200/- in respect of uncollected amount of shares held in a Joint Stock Company.

AUDITOR'S REPORT (Annex)
 H. HUSAIN CHAUDHURY & CO., Chartered Accountants

AT 30TH JUNE, 1970			
30-6-1969	PROPERTY AND ASSETS	Amount	Total 30-6-1970
	Schedule		
	FIXED ASSETS at cost (Schedule showing additions and depreciation annexed)		
4,17,49,281		T' 4,40,02,102	
	INVESTMENTS at cost		
1,67,618		V' 1,70,702	
	CURRENT ASSETS		
	STOCKS & STORES IN HAND		
	Finished goods at lower of cost or market value	1,68,54,962	
	Raw material & stores at cost	5,53,23,728	
	Unfinished goods at estimated cost	80,39,493	
1,68,30,682			
5,70,39,897			
73,90,948			
8,12,51,739	206	7,99,18,179	
	BOOK DEBTS		
	Unsecured	83,92,596	
	Less: Provision for doubtful debts	3,00,000	
1,87,30,729	3,00,000	78,92,596	
	ADVANCES, DEPOSITS & PREPAYMENTS		
89,74,413		G' 40,12,351	
7,83,479		H' 7,47,233	9,45,78,760
16,46,77,316			Total Rs. 15,87,43,564

H. ISMAIL Chief Accountant
 C. M. LATIF Managing Director
 ABDUL RAHMAN KHAN, M.M.S. CHOUDHRI, ABUL KASIM, ARIF LATIF, AHMAD HUSAIN Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1970			
	1-7-1969 to 30-6-1970 (12 months)	1-4-1968 to 30-6-1969 (13 months)	
	Schedule		
	T		
NET SALES	18,89,76,396	13,93,43,706	
COST OF SALES	7,39,47,932	6,74,74,240	
Gross profit	2,70,28,464	4,16,69,466	
Selling, Administrative and General Expenses	81,84,781	1,26,11,981	
Operating profit	1,88,43,683	2,90,57,485	
Other income	7,66,959	1,14,9,672	
	1,96,10,642	3,04,36,158	
Less: Financial charges	20,15,863	12,36,777	
Profit before taxation	1,75,94,779	2,91,99,381	
Less: Provision for taxation	95,00,000	1,10,00,000	
Net Earnings	80,94,779	1,81,99,381	
ADD: Last year's balance of unappropriated profit	72,567	37,67,536	
Dividend reserve	70,00,000	24,39,259	
General reserve	—	15,35,503	
	1,51,67,346	2,39,31,559	
LESS: APPROPRIATIONS			
General reserve	12,25,000	96,44,794	
Special reserve s/s 15-88	—	7,72,000	
Reserve for doubtful debts	—	5,00,000	
Bonus shares	—	29,98,406	
Dividend to preference share-holders (2½% (1968-69))	9,37,498	7,35,000	
Dividend to Ordinary share-holders (20% (1968-69))	59,96,712	39,93,796	
Reserve for dividend (1969-70)	68,25,000	70,00,000	
	1,49,84,210	3,58,58,992	
Balance of surplus carried to Balance Sheet	1,83,136	73,367	

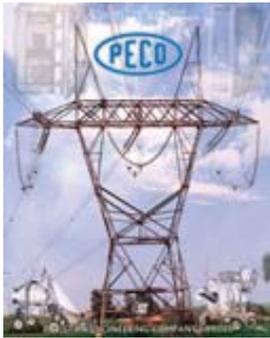
The annexed Schedules and Notes form part of these Accounts. Auditors' Report is annexed herewith.

H. ISMAIL Chief Accountant
 C. M. LATIF Managing Director
 ABDUL RAHMAN KHAN, M.M.S. CHOUDHRI, ABUL KASIM, ARIF LATIF, AHMAD HUSAIN Directors
 H. HUSAIN CHAUDHURY & CO., Chartered Accountants
 48 Shahrah-e-Quaid-e-Azam, LAHORE.
 Dated 8 December 1970.

SCHEDULES AND NOTES ON THE FINANCIAL ACCOUNTS			
	SCHEDULE "A"	30-6-1970	30-6-1969
SHARE CAPITAL:			
AUTHORIZED			
1,00,000	7½% Cumulative Redeemable Preference shares of Rs. 100/- each	1,00,00,000	1,00,00,000
90,00,000	Ordinary shares of Rs. 10/- each	9,00,00,000	5,00,00,000
	Total	10,00,00,000	6,00,00,000
SUBSCRIBED & PAID UP			
1,00,000	7½% Cumulative Redeemable Preference shares of Rs. 100/- each	1,00,00,000	1,00,00,000
40,48,305	Ordinary shares of Rs. 10/- each	4,04,83,050	4,04,83,000
	Total	5,04,83,050	5,04,83,000
Less: Calls in arrears		—	—
Due from Directors		—	—
Due from others		—	93,860
	Total	5,04,83,050	5,03,69,140
FUNDS AND SURPLUS			
SCHEDULE "B"			
	Special Reserve s/s 15-88	23,98,239	23,98,239
	Special Reserve	1,06,33,671	1,06,33,671
	General Reserve	2,55,00,000	3,51,75,000
	Reserve for dividend	68,25,000	70,00,000
	Balance of Profit & Loss Appropriation Account	1,83,136	73,367
	Total	4,65,40,246	4,53,79,477

H. ISMAIL Chief Accountant
 C. M. LATIF Managing Director
 ABDUL RAHMAN KHAN, M.M.S. CHOUDHRI, ABUL KASIM, ARIF LATIF, AHMAD HUSAIN Directors
 H. HUSAIN CHAUDHURY & CO., Chartered Accountants
 48 Shahrah-e-Quaid-e-Azam, LAHORE.
 Dated 8 December 1970.

The Government-Inflicted Colossal Damage to the Company



BALANCE SHEET AS AT JUNE 30, 2005		Profit and Loss Account FOR THE YEAR ENDED JUNE 30, 2005	
Note	2005	2004	2004
NON CURRENT ASSETS			
Property, Plant and Equipment (net)	1,432,500	1,432,437	
Assets subject to Finance Lease	7,742	1,000	
Land Held for Sale	315,725	315,725	
	1,755,967	1,749,162	
LONG TERM SECURITY DEPOSITS			
	2,487	2,291	
	1,758,454	1,751,453	
CURRENT ASSETS			
Stocks, Bonds and Loans Trade	117,280	102,380	
Accounts Receivable	14,280	14,280	
Accounts Payable	(14,280)	(14,280)	
Loans and Advances to Employees	142,712	142,712	
Advances to Utility	36,321	36,321	
Trade Sundry Receivables & Other Receivables	25,274	25,274	
Loans and Cash Balances	20,250	20,250	
	341,837	341,837	
CURRENT LIABILITIES			
Trade Creditors	72,280	72,280	
Accounts Payables	84,712	84,712	
Dividends & Advances payable	11,280	11,280	
Other Liabilities	28,837	28,837	
Unearned Interest	488,322	488,322	
Short Term Borrowings	488,322	488,322	
Current portion of Liabilities Against Assets Subject to Finance Lease	200	200	
Provision for Taxation	67,500	67,500	
	1,459,553	1,459,553	
Net Current Assets / (Liabilities)	188,884	291,884	
Total Assets Less Current Liabilities	1,567,570	1,567,570	
CONTINGENCIES AND COMMITMENTS			
NON CURRENT LIABILITIES			
GOVERNMENT OF PAKISTAN LOAN LABELLED AGAINST ASSETS SUBJECT TO FINANCE LEASE (DEFERRED CUMULATED)	1,750,249	1,750,249	
	1,750,249	1,750,249	
NET TOTAL ASSETS	1,567,570	1,567,570	
REPRESENTED BY:			
Share Capital	50,000	50,000	
Revenue Reserves - General	1,517,570	1,517,570	
Accumulated Dividends	(1,000)	(1,000)	
	1,516,570	1,516,570	
Surplus on Revaluation of Fixed Assets	1,750,249	1,750,249	
	1,750,249	1,750,249	
The annexed notes form an integral part of these financial statements.			
Attest: Ali (Chief Executive)		Muhammad Usman Malik (Director)	

On right are two main pages of the Company accounts pertaining to year 2005 (formerly known as Beco Industries). Being reproduced here for comparison with the balance sheet pages for the year 1970 on page 197.

Below are Two Charts Prepared by Professional Chartered Accountants. In Chart-1 the Revaluation of Acquired Land as provided in the accounts has not being included and Chart-2 does not reflect the True Picture of Financial Charges as they are being treated in a suspended Account.

Chart-1

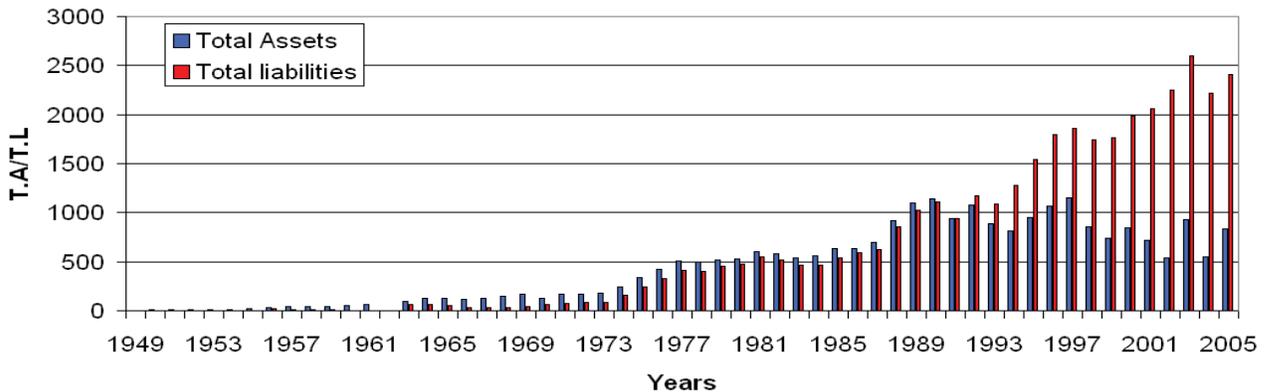
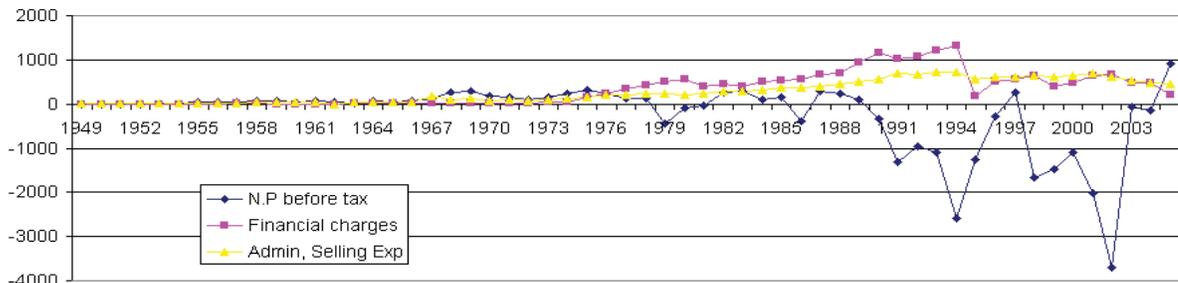


Chart-2



From the above charts and figures, one can judge the colossal damage which has been inflicted on the Company by the Pakistan Government, since it has been in its arbitrary possession.

The Shameful Police Action



THAT IS HOW **BECO** AND OTHER INDUSTRIES
WERE
TAKEN-OVER,
BY THE THEN GOVERNMENT OF PAKISTAN.

IT IS INCORRECT TO SAY THAT THEY WERE NATIONALIZED,

AS ONLY SHARES

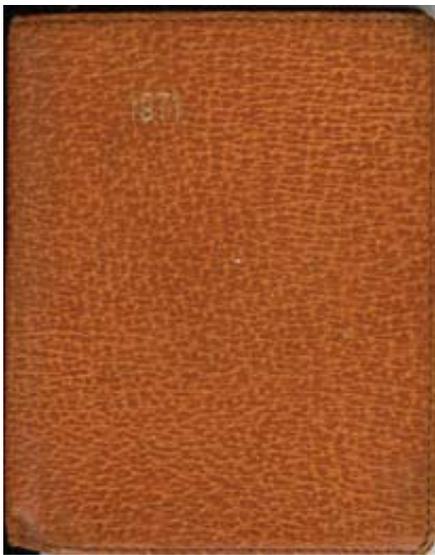
ABOVE 5000 UNITS WERE NATIONALIZED THE SUBSEQUENT YEAR.

**Following pages unfold the clumsy, crafty and cruel story of “Nationalization”
and
how the great BECO was destroyed ruthlessly.**

Who Were the Real Patriots ?

Here after **the reader must judge who were the real patriots**, the Company's board of directors, with Mr.C.M.Latif as its chairman or the head of the then Pakistan Government along with the then Minister of Finance, who spear headed the take-over of various Pakistani industries in the name of so-called socialism, **to ultimately destroy them and throw people out of work.**

Below is how Mr. C.M.Latif recorded this humiliating act of the then Pakistan Government in his diary.



OFFICE & FACTORY SEALED AT 2 P.M.
MR. BHUTTO ANNOUNCED TAKE-OVER
AT 7 PM.

REMOVAL ORDER SERVED

ATTENDED BECO AGENCY
OFFICE

BECO AGENCY OFFICE SEALED
at 6 pm.

These remarks were noted on the extra pages of the 1971 diary.

Government Feeding the Public With Plain Lies

Below Mubashir issued press release of the Take-Over and announces the Industries to be affected. While reading through the text, it will be evident how the public was fed with LIES by him personally and on behalf of the Government.



FOUNDED BY
 QUAID-E-AZAM
 MOHAMMAD ALI JINNAH
 KARACHI
 10 Zia'ud, 1301
 Monday, January 2, 1973
 Vol. XXX No. 101
 6 PAGES: 22 PAIRS
 Rs 100



Siddiqson's
 FLAME PROOF
 WATER PROOF & ROTPROOF
 TARPULINUS
 SIDDIQSONS INDUSTRIES
 41, New Cloth Market, Quinity Road,
 KARACHI. Phone 1 13445

Take-over of 20 industrial units: Mubashir explains

By Our Staff Correspondent

The Central Finance Minister, Dr Mubashir Hasan, last night announced the take-over of 20 industrial units falling within the purview of the ten categories mentioned in President Z.A. Bhutto's Address to the Nation earlier in the evening.

The take-over under the newly promulgated Presidential Order known as the Economic Reforms Order affected the following units:

- Steel Corporation of Pakistan, Hyson's Steel; All Automobiles; Kandawala Industries; R.O.K. Industries; Haroon Industries; Wazir Ali Engineering; Qandhara Industries; Indus Chemicals and Alkali; Valika Chemicals; Valika Cement; Karachi Gas; Oil from Karachi BECO; M. K. Foundry; Hefco Foundries and Workshop; Rana Tractors and Equipment; United Chemicals; Kohnoor Rayons; Karachi Cement; and Small Cement.

He said that, following the issuance of the Order in Rawalpindi, the take-over had already been effected. He said in reply to another question that the total capital investment in these industrial units was estimated as over Rs 100 crores.

Explaining the salient features of the Order, the Finance Minister said it dispensed with the Board of Directors and managing agencies of the affected industries and provided for no compensation for the termination of the office of directors or managing agencies.

However, he said that the Order did not empower the government to acquire any financial interest in the companies. At the same time it guaranteed service to the employees, including executives, managers etc., on existing terms and conditions.

Besides providing for checks against "unnecessary obstructions" from outside quarters, the Order protects contracts and

(Continued on back page col. 7)

(Continued from page 1)
 other interests of foreign investors and creditors. It also provided for government's option to hand over control of the industries concerned to Provincial Governments if necessary. The Finance Minister said the action was "purely in the interest of the economy."

CATEGORIES FINAL
 Since the categories of the industries to be taken-over by the state were final and the government had no intention to takeover more industries, he said it would be correct to hope that any uncertainty about the matter would now end. Dr Mubashir urged the other industries to get down to maximum production and quality improvement. While expressing the hope that there shall be no let-down, he also stressed that "no let-down shall be tolerated."

In all the industries taken over, he said, the Government had appointed managing directors with sufficient powers in order to ensure that the units were run properly. In addition, he said, consultants had been appointed and they were expected to report within three to five days. At the same time, he said, the Government would keep a vigil on the industry as a whole to ensure that the objectives of the new policy were fully achieved.

He was confident that the steps taken by the government would create a stabilising effect on the economy and enable the Government to plan in a more effective manner.

TRADE UNIONS
 Answering a question, the Finance Minister said that after the takeover, trade union activity in the affected units would flourish.

Asked about the criteria for the appointment of government officials in these units, he said it would be competence. He said the government would look for talent everywhere.

He said in reply to another question that the real "Ghana" (fishy thing) in these industries was the institution of managing agency.

INSURANCE & BANKING
 Asked whether the government also intended to take similar steps in the field of insurance and banking, the Finance Minister said the banks were already under the control of the State Bank. The control was considerable and it needed to be studied if this was being contemplated rigidly. For this purpose, expert committees may be set up.

About the financial aspects, he said there would be no change. All the directors and others will continue to hold their shares. In fact, the new arrangements would enable the small share holders to reap the full benefit of their investment.

He said in reply to another question that due care would be taken to ensure that the units operated in a "business-like and scientific manner."

He said the performance of the undertakings will be judged by prosperity and the objectives laid down in the policy. Agency reports add-

FOREIGN AID & INVESTMENT
 The Finance Minister said the Government would welcome assistance from friendly countries but only if it is considered "valuable" for Pakistan's economy. "All assistance which is not valuable, will be declined with thanks"

Asked about the reaction of aid-giving countries to the sweeping reforms, he said, "I am not in their shoes. I can't tell you; but we hope that friendly countries will react sympathetically to us"

He held out an assurance that the decision would in no way affect foreign investors. On the contrary, it should inject a new sense of confidence and assurance to foreign investors because from now on they will be dealing directly with the Government of Pakistan.

The foreign investors can now have firm assurance from the Government of their capital because their money will have guarantee against bankruptcy."

Similarly, all contracts and agreements with regard to fore-

ign loans and credits, entered into between owners of these industrial units and foreign investors before the take-over "will be honoured", he said.

"I assure you all obligations in this connection will be kept," the Finance Minister asserted emphatically.

About future foreign assistance to these units, he said each and every case will be decided on merit after taking into consideration the pros and cons of future assistance.

An American correspondent wanted to know if the order also affected the American assisted Pakistani project of Dawood-Herules. Dr. Mubashir said: "Well, we can take over the Dawood part of it."

In reply to a question, the Minister said the list may be "extended to cover some more than the 20 undertakings mentioned by him at the moment."

Asked whether the managing directors of these units, will be appointed from amongst the politicians or the civil service, he said: "The criteria will be competence."

"We will look for talent all over the country and see to it that these industries are guided by the motto—maximum production, proper distribution of wealth and dynamic functioning."

The Finance Minister said that no further disinvestment is envisaged of public sector projects. Asked whether the performance of the taken-over units will be judged by the share-index or the balance sheet, he said: "It will be judged by prosperity."

SHARE MARKET CLOSED
 Asked if the big shareholders of these industries would be allowed to unload their shares, the Finance Minister said that the share market was closed.

Reminded that the PPP manifesto had called for nationalisation of banks and insurance companies as well, he said: "We are not going to act in hurry. We will study the matter in depth."

He said that for industries not covered by today's take-over announcement, the Government propose to lay down certain specific standards and added that "as long as they operate in line to these standards, loans will be given well and production will be boosted."

However, the Government will not tolerate any "let-down", he warned.

The Finance Minister categorically stated that the country's budget will not be reduced.

Dr Mubashir Hasan said the Government will give a definite time-limit to the "Big-22" to decide their foreign exchange held abroad.

Asked how much money had returned to the country so far, he said: "I am not going to disclose that to you, but we know how many of these people have their exchange and where."

One can judge Mubashir's true character from the following reproduction of a portion of the article "The Beau Brummells of Pakistan" by Ardeshir Cowasjee, dated 20th Oct, 2002 printed in the Daily Newspaper "DAWN".

One of the new ministers, Engineer Dr Mubashir Hasan, minister of finance, wishing to emulate his master ordered his uniform from Hameed, the master cutter of Inverarity Road, Karachi. When Mubashir went to have himself measured, he ordered Hameed to have his uniform ready in double-quick time so that he could wear it for the forthcoming triumphal party gathering in Islamabad. He was brusquely told by Hameed that his regular customers, the Bhuttos, the Pirzadas and so forth took precedence and that Mubashir would have to wait his turn.

Mubashir immediately resorted to the use of his powers as finance minister and Hameed's shop was raided by the income tax department, shut, and sealed. Mubashir grossly underestimated the power of his master's valet, Noora. Hameed immediately appealed to Noora, ignoring the income tax authorities, and told him what had transpired. Noora in turn immediately told his master and within hours Hameed's establishment was unsealed and reopened. Mubashir, needless to say, had to run elsewhere to have his silver-braided uniform put together in time.

A Critical Look at the Economic Reforms Order, 1972

Let us look at the bases of President's Economic Reforms Order, 1972 and see how it looks like in the year 2005

PRESIDENT'S ORDER 1 OF 1972

ECONOMIC REFORMS ORDER, 1972

[Gazette of Pakistan, Extraordinary, 3rd January 1972]

No. F. 24 (1)/72-Pub.—The following Order made by the President on the 1st January 1972, is hereby published for general information :—

Whereas the benefits of economic development and industrialization have remained confined to the privileged few to the detriment of the common man ;

And whereas Islam enjoins equitable distribution of wealth and economic power and abhors their concentration in a few hands ;

And whereas it is the duty of Government to ensure that the wealth and economic resources of the country are exploited to the maximum advantage of the common man ;

And whereas those who control the means of production are accountable to the people through their chosen representatives ;

And whereas it is necessary to safeguard the interests of the small investor ;

And whereas it is necessary for that purpose to provide for redeeming the promises made to the people in that behalf from time to time since the creation of Pakistan :

Now, therefore, in pursuance of the Proclamation of the 25th day of March 1969, read with the Proclamation of the 20th day of December 1971, and the Provisional Constitution Order, and in exercise of all

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powers enabling him in that behalf, the President and Chief Martial Law Administrator is pleased to make the following Order :

1. *Short title, extent and commencement.*—(1) This Order may be called the Economic Reforms Order, 1972.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. *Definitions.*—In this Order, unless there is anything repugnant to the subject or context,—

(a) "establishment" means any undertaking pertaining to any of the categories set out in the Schedule and includes any related office, shop, factory, godown, yard stocks and stores wherever they may be ;

(b) "Managing Director" in relation to an establishment means a Managing Director appointed under Article 4 in respect of such establishment ; and

(c) words and expressions used but not defined in this Order shall have the same meaning as in the Companies Act, 1913 (VII of 1913).

3. *Order to override other laws.*—This Order shall have effect notwithstanding anything contained in the Provisional Constitution Order or any other law for the time being in force or in any agreement, contract, memorandum or articles.

4. *Power to appoint Managing Director.*—(1) The Central Government may, if it considers necessary in the public interest so to do, by order appoint a Managing Director in respect of an establishment for its management.

(2) On the appointment of a Managing Director in respect of an establishment, the administration of the affairs of that establishment shall vest in him and any person or authority exercising or having the right to exercise immediately before such appointment, any power or function in relation to the management of the establishment shall cease to exercise or to have the right to exercise such power or function.

(3) The Managing Director shall hold office during the pleasure of the Central Government, and shall, in the discharge of his functions, be subject to such orders and directions as the Central Government may from time to time give in writing.

(4) Where a Managing Director is appointed in respect of an establishment, the Central Government may, by order, remove from office the Board of Directors, the Managing Agent, any Director or any other officer howsoever designated performing or having the right to perform any function in relation to that establishment :

Provided that the Managing Director may require any Director or other officer in respect of whom an order is made under this clause, to perform any function in relation to the establishment as the Managing Director may direct on such terms and conditions as may appear reasonable.

(5) The Managing Director appointed under clause (1) in respect of an establishment shall exercise—

(a) if such establishment is owned or controlled by a company, all the powers and functions of the Board of Directors ;

→ Did common man benefit ? **NO**: Objective: **FAILED**

→ Does Islam permit to grab citizens property ? **NO**: is there more concentration now ? **YES**: Objective: **FAILED**

→ By grabbing private properties, has this be accomplished ? **NO**: Objective: **FAILED**

→ Have the chosen representative been accountable, even after grabbing private property ? **NO**: Objective: **FAILED**

→ Was small investors safeguarded ? **NO**: Objective: **FAILED**

→ Was any indication ever made since the creation of Pakistan to grab the private property of its citizens ? **NO**: What is this President and Government projecting ? **LIES**: Objective: **DECEPTION**

→ What happened to the Company Law, Laws of the articles of association of a Company ? **TRASHED**

→ What happened to the Company Law, Laws of the articles of association of a Company ? **TRASHED**

→ What happened to the Company Law, Laws of the articles of association of a Company ? **TRASHED**

→ What happened to the Company Law, Laws of the articles of association of a Company ? **TRASHED**

→ What happened to the Company Law, Laws of the articles of association of a Company ? **TRASHED**

Beco's Officially-Sponsored Victimization

<p>88</p> <p>ECONOMIC REFORMS ORDER, 1972</p> <p>(b) if such establishment is owned or controlled by an individual or a firm, all the powers and functions of that individual or a firm; and</p> <p>(c) if such establishment had a Managing Agent to manage its affairs, all the powers and functions of the Board of Directors.</p> <p>5. <i>No compensation for termination of office.</i>—No compensation shall be payable for the termination of any office or of an agreement under or by virtue of the operation of the provisions of this Order:</p> <p>Provided that this Article shall not be construed as preventing the Central Government from authorising any payment to reimburse a person for any expenses <i>bona fide</i> incurred by him in connection with the management of the establishment before the appointment of a Managing Director.</p> <p>6. <i>Employees to continue in service.</i>—Unless in any particular case the Managing Director otherwise directs, all persons employed in, by or for the purpose of the business of the establishment by whomsoever appointed or engaged, shall continue in their respective employments on the same remuneration and other conditions of service as were applicable to them immediately before the appointment of the Managing Director of that establishment.</p> <p>7. <i>Prohibition to obstruct.</i>—No person shall, except under the authority of the Central Government, give any instructions to the Managing Director, nor shall any person in any manner obstruct him in the discharge of his functions.</p> <p>8. <i>Bar of jurisdiction.</i>—(1) No Court, including the Supreme Court and a High Court, shall call in question, or permit to be called in question, any provision of this Order or of any rule or order made or anything done or any action taken or purporting to be made, done or taken thereunder.</p> <p>(2) No Court, including the Supreme Court and a High Court, shall grant any injunction or make any order, nor any such Court shall entertain any proceedings in relation to anything done or intended or purporting to be done under this Order.</p> <p>9. <i>Indemnity.</i>—No suit, prosecution or other legal proceeding shall lie against the Central Government or the Managing Director or any other person for anything in good faith done under this Order or any rule or order made thereunder.</p> <p>10. <i>Delegation of powers.</i>—The Central Government may, by notification in the official Gazette, direct that any of its powers under this Order shall, subject to such conditions, if any, as may be specified in the notification, be exercisable also by a Provincial Government.</p> <p>11. <i>Savings.</i>—Nothing contained in this Order shall affect any agreement entered into between the Central Government and a foreign investor or creditor or any agreement between a foreign investor or creditor and any citizen of Pakistan which has been expressly approved by the Central Government.</p> <p>12. <i>Power to make rules.</i>—(1) The Central Government may, by notification in the official Gazette, make such rules as appear to it to be necessary or expedient for carrying out the purposes of this Order.</p> <p>(2) In particular and without prejudice to the generality of the foregoing power such rules may provide for, or may empower any authority</p>	<p>[P. L. D.</p> <p>Vol. XXIV--1972]</p> <p>CENTRAL STATUTES</p> <p>89</p> <p>to make orders providing for, all or any of the following matters, namely :—</p> <p>(a) ensuring the safety of the properties of an establishment;</p> <p>(b) ensuring the due performance of their duties by the persons connected with an establishment;</p> <p>(c) prohibiting anything likely to interfere with the proper functioning of an establishment;</p> <p>(d) the administration, management and disposal by way of transfer or otherwise of any property belonging to or held or managed by or on behalf of an establishment;</p> <p>(e) prohibiting the departure from any area of any person connected with the administration, control or functioning of an establishment;</p> <p>(f) the taking over or control of any business, trade, industry, firm or company which is in the opinion of the Central Government a subsidiary of an establishment;</p> <p>(g) the requisitioning of any property, movable or immovable, belonging to an establishment;</p> <p>(h) the requisitioning of any property, movable or immovable, the requisition of which is, in the opinion of the Central Government, required for the proper functioning of the Government;</p> <p>(i) preventing the entry of any person into any place, yard, factory, mill, shop or office used for the purpose of an establishment or of any of its subsidiaries; and</p> <p>(j) the taking of any steps for collecting, controlling and disposing of the assets, movable and immovable, of any establishment.</p> <p>(3) The rules made under this Article may provide that the contravention of any of the provisions of the Order or the rules shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten lakhs of rupees, or with both.</p> <p>13. <i>Removal of difficulties.</i>—If any difficulty arises in giving effect to any provision of this Order, the Central Government may make such order, not inconsistent with the provisions of this Order, as may appear to it to be necessary for the purpose of removing the difficulty:</p> <p>Provided that no such power shall be exercised after the expiry of one year from the commencement of this Order.</p>
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THE SCHEDULE

1. Iron and Steel Industries.
2. Basic Metal Industries.
3. Heavy Engineering Industries.
4. Heavy Electrical Industries.
5. Assembly and Manufacture of Motor Vehicles.
6. Tractor Plants, Assembly and Manufacture.
7. Heavy and Basic Chemicals.
8. Petro-chemical Industries.
9. Cement Industry.
10. Public utilities, that is to say—
 - (a) Electricity, Generation, Transmission and Distribution;
 - (b) Gas; and
 - (c) Oil Refineries.

Below are remarks on the above clauses as per S.No's:-

5. **No compensation, no golden hand shake was offered to the management, as only their services were terminated**, which a simple employee of the taken-over company even got by year 2005, while these companies had gone bankrupt.
6. Employees service continuity was ensured, **but this did not happen and ultimately they were all discharged.**
7. Managing Directors and share-holders of these companies were previously regulated by various laws. But now only the Central Government had this authority and no other laws could challenge the Government-appointed MD's functioning. Therefore the civil servant and bureaucracy who stepped in to fill the job and had a free hand to mess with the situation. They played with the assets of these industries without developing them.
8. This amounted to a return to the law of the jungle, where

no one could question any one for any action.

9. This **immunes the KINGS from their own laws**, presuming blindly that all what they do under this decree would be in good faith.

10,11,12 & 13. Adding language to their new laws, so as to make it functional according to their needs.

SCHEDULE

From the list of categories mentioned under this head, one can judge that the individual industries which would fall under their order would be selected separately. How this selection was done, is any one's guess. **But the element of officially sponsored victimization by the Pakistan Government is very evident from the example of BECO. This unit had divisions like bicycle, motors, rolled material which were all taken-over, while exactly similar units in other industries were spared.**

Some Vital Information About "Nationalization"

In the following pages are reproduced documents as noted in the FOREWARD at page 12. First are the share-holders minutes of Beco Industries Limited, Lahore, the last one held by Mr. C.M.Latif.

**Minutes of the Annual General Meeting of
BECO INDUSTRIES LIMITED, LAHORE
held on 30th December, 1971 at 4 (p.m.) at the Registered Office
MR. C. M. LATIF..... PRESIDED**

Meeting started after recitation from the Holy Qur'an. Record number of Shareholders attended and the proceeding was tape-recorded.

Agenda Item No. 1

To apprise the Shareholders of the present affairs of the Company

The Managing Director explained in detail the various phases in which Pakistan has been passing, especially from the period starting December 1970 onwards, culminating into India's brazen-naked aggression and occupation of Eastern Wing of the country by the enemy.

He quoted in detailed figures, sales of various BECO products, especially Machinery items, in East Pakistan in the past, and emphasised that the Company will now have to find alternative markets and replan its manufacturing programme accordingly.

He invited suggestions from the Shareholders to this end. Many shareholders asked questions and freely gave their views touching upon the various aspects of the Company's affairs.

Mr. Aamar Raza, Advocate and Mr. Masood Ahmad and many other Shareholders wanted to know the Company's sales for period ending 30-6-1971 and for the 5 months period 1-7-71 to 30-11-71. They emphasised (which of course is correct) that the situation in East Pakistan does not affect/apply to the Accounts pertaining to the financial year ended on 30-6-71, and the Company's working for the first 5 months of financial year 1971-72.

The Managing Director explained that the Balance Sheet ending June 1971 has been delayed because of the war with India and it is being audited and will be placed before the Shareholders as soon as it is ready.

He also informed the meeting that permission of the Assistant Register of Joint Stock Companies has been obtained for presentation of the Balance Sheet and Profit & Loss Account by 31-3-1972. Similar permission has also been obtained from Stock Exchange, Karachi, but the date as per their permission is 28-2-1972.

Continued Reproduction of Share Holder's Meeting from the Previous Page
 THE PAGE MARKED AS 25 BELOW GIVES VERY VITAL INFORMATION ON MUBBASHIR AND NATIONALIZATION

A shareholder, Mr. Abdul Khaliq Advocate stated that as per present Finance Minister, Dr. Mubbashar Hassan's statement, which was also published in the newspapers before the formation of PPP Government, the BECO organization will be the first one to be nationalized.

He pleaded that it is the duty of the Managing Director and other Directors to take cognisance of the situation and the effect it will have on the Company and the Shareholders, and to take such measures which would safeguard the interest of the Company and the Shareholders, and also to ensure protection that they do not suffer from any possible losses.

He further stressed that he had brought this point to the notice of the meeting in his capacity of a Shareholder that BECO will be the first victim of nationalization and you (Management/Directors) should prepare right now on the lines as stated above.

Mr. Abdul Khaliq further addressed the Chairman saying that "I know, and you probably are also aware that Dr. Mubbashar's relations with you are not very cordial". On Chairman's explaining that he (Chairman) has not even seen Dr. Mabbashar, except once standing at a distance, Mr. Khaliq replied that by "you" he meant not "Mr. Latif" in his individual capacity, but as the "Managing Director of BECO".

He further added that on the implementation of nationalization scheme BECO will be the first victim of nationalization, as Dr. Mubbashar's relations with BECO are quite strained.

At this juncture the Chairman emphasised that it is the Industry which is nationalized and not individual firms, and requested the Shareholders that it will be of no use to discuss this matter further in this meeting, and added that he is against discussing about individual personalities, especially ministers etc. as they (Company and management) keep away from politics. He suggested Mr. Khaliq that as he (Chairman) is totally unaware of this matter, Mr. Khaliq can meet him separately to apprise him of this affair, to which Mr. Khaliq volunteered to do so if the Chairman gives him an opportunity.

The Managing Director then read out the following two paragraphs from the Press Note dated 19th December, 1970 issued by the Company (expressing their views on the nationalization matter), which was published in the National Press, for the information and views of the Shareholders :

- (a) *"Company's Structure :* Explaining the Company's structure the Managing Director said that BECO was a public limited Company with about 3,500 direct Shareholders on the books of the Company including many workers and persons of small income who have invested their hard-earned savings in the Company and who are mainly dependant on the income from their

Continued Reproduction of Share Holder's Meeting from the Previous Page

investments. If the Shareholders of National Investment Trust and Investment Corporation of Pakistan who have large investments in the BECO, are also taken into account, many more shareholders could be added to the 3,500 in the Company's shareholders register, and thus the number of the persons as investors will be quadruple. It is crystal clear that BECO is a greatly broad-based public Company and is a national asset in true sense, especially a pioneer in the producers goods industry in Pakistan."

- (b) "*Nationalization Issue*: While welcoming the results of peaceful and most democratic elections of National and Provincial Assemblies of Pakistan, the Managing Director told to the workers that if after a thorough study and full consideration of the various aspects of the nationalization issue, such as end-prices to consumers, investors and workers' interests, Government Revenue, Management and production efficiency and overall economy of the country, it is found that the country's interests at large can be better served by nationalization, the BECO management will offer full co-operation to the Government in this regard."

"He, however, added that the upto-date experience of the projects set up in the public sector for the last many years by investment of crores and crores of rupees, especially in the metal engineering industry, is most discouraging. He quoted examples of Karachi Shipyard, Chittagong Steel Mill, Machine Tool Factories at Landhi (Karachi) and Joydepur near Dacca."

He sought the Shareholders' endorsement to the policy of the management regarding their stand on nationalization.

Almost all the Shareholders were critical of the Management's discouragement on the general affairs of the Company, and stressed that they are rather disappointed to hear the management's disheartened and dismayed attitude, and asserted that the Managing Director is a highly technical man and being in this trade for a long time no one can advise him better and the Shareholders have full confidence in him and he should continue to conduct the affairs of the Company with courage and confidence as before.

The Managing Director explained that BECO has been and is still his life-aim, and he will do his best to devote his full energy in managing its affairs, to safeguard the shareholders' interest according to his ability and experience for the benefit of the Shareholders and the country.

As this matter of nationalization was not on Agenda, nevertheless it was talked out on the insistence of the overwhelming majority of Shareholders and their disagreement with the views of the management.

Continued Reproduction of Share Holder's Meeting from the Previous Page

Agenda Item No. 2

To consider the proposal of the Board of Directors for contribution of the entire profits of the Company for the year ended 30-6-71 left after the payment of the Taxes, to the National Defence Fund, subject to waiver by the Government of the conditions of Section 23A of the Income Tax Act, requiring compulsory distribution of 60% of the net profits by way of Dividend or Bonus, and pass suitable resolution :

- (a) After a thorough rather heated discussion it was decided that it should be left to the Shareholders to contribute to the National Defence Fund in their individual capacity.
- (b) A number of Shareholders pressed that 5% Interim Dividend declared by the Directors be enhanced to 10%. On explaining by the Managing Director that after the Balance Sheet and the Profit & Loss Accounts placed before the Shareholders, final Dividend commensurating with the Profits (after payment of Taxes) will be declared, 5% Interim Dividend on Ordinary Shares and 7½% Dividend on Cumulative preference Shares, as recommended by the Directors, was approved.

Agenda Item No. 3

Retirement and Election of Directors Khan Abdul Rehman Khan and Vice-Admiral H.M.S. Chaudri retire by rotation, are eligible and offer themselves for re-election.

Khan Abdul Rehman Khan and Vice-Admiral H.M.S. Choudri retired by rotation, are eligible and offer themselves for re-election, are hereby elected.

Agenda Item No. 4

To consider the recommendation of Directors for the appointment of M/s. M. Hussain Chaudhry & Company, Chartered Accountants, 49, Shahrah-e-Quaid-e-Azam, Lahore as Auditors of the Company and to fix their remuneration :

Directors' recommendations for appointment of M/s. M. Hussain Chaudhry & Co. as Auditors for the financial year 1971-72 was approved, and their remuneration was fixed at Rs. 7,000/-.

Note : 115 Shareholders who attended personally are the holders of 18,34,961 Ordinary Shares of Rs. 10/- each and 17,622 Preference Shares of Rs. 100/- each. A typed list comprising of 8 pages showing their holdings is attached to these proceedings.

Sd/- C. M. LATIF
Chairman

Government's Treachery & Beco's Sincerity

Clippings from the Press, as mentioned in the share-holders meeting on page 206.

It can be noticed from these FIVE newspaper reports that it was widely circulated that the BECO management was offering its services almost ONE YEAR before the actual TAKE-OVER action of the Government and furthermore during this period the running of the Company was completely normal, that is to say, no skimming of assets was done in view of the pending danger of nationalization. This is clear from the balance-sheets of

the Company for the years 1971-72. The 1st Taking-over page-125 (not reproduced in this book), clearly reports that against the Paid-up Capital of Rs 50 million the Company had reserves of in excess of Rs 90 million, while long term debts stood at only above Rs 2 million and short term borrowings/banks over-drafts about Rs 20 million (all figures here have being rounded off), assets were above Rs 147 million, against liabilities of only Rs 0.9 million.

THE LEVEL OF TREACHERY BY THE THEN PAKISTAN GOVERNMENT and sincerity of the Beco Management CAN BE JUDGED FROM THE ABOVE ASPECT ALONE.

DAWN

Sunday, December 20, 1970

Nationalisation: BECO Chairman offers co-operation

LAHORE, Dec 19: Mr. C.M. Latif, Chairman and Managing Director of the BECO Industries today assured his full co-operation "if the Government finds the nationalisation of BECO profitable for the nation and the country."

Addressing a Press conference here this evening, he explained various aspects of the nationalisation ranging from the prices at which goods were available to consumers to the interests of the workers, Government and the country.

He added, that the experience of the projects set up in the public sector for the last many years by metal engineering industry, was most discouraging. He quoted examples of Karachi Shipyard, Chittagong Steel Mill, Machine Tool Factories at Landhi (Karachi) and Joydebpur near Dacca. —PPI.

THE PAKISTAN TIMES,
SUNDAY, DECEMBER 20, 1970.

Consideration of all aspects urged NATIONALISATION OF INDUSTRIES

The Managing Director of the Batala Engineering Company, Mr. C. M. Latif, said on Saturday the BECO management was ready to offer full co-operation for the nationalisation of

20th Dec. 1970 Nawa-i-waqt

مصنعتوں کو قومی ملکیت میں لینا ضروری سمجھا گیا تو سہم پوری طرح تعاون کریں گے

بیکو کے چیئرمین اور ڈائریکٹر جنرل ایف ایم لطیف نے پریس کانفرنس میں اپنے کارخانوں سے جو کہ تقریباً ساڑھے تین ہزار مزدوروں میں اور ان کے مفاد سے بہت لاگن اور کم تنخواہ پانے والے افراد شامل ہیں۔ آپ نے کہا کہ بیکو انڈسٹریز کے زیر اہتمام چلنے والے تمام کارخانوں کے ملازمین کو ہر سال پونے دو لاکھ روپے کی رقمیں اس وقت گزشتہ مالی سال کی پینشن شیٹ پر وقت تیار نہ ہونے کی وجہ سے پونے دو لاکھ روپے کے اعلان میں تاخیر واقع ہو گئی۔ چنانچہ اب وہ اب کتاب مکی بروت پر رپورٹوں کی ڈاکٹریٹوں کے ساتھ ۱۹۶۹ء کے مالی سال کے لئے ایک ماہ کا بونس دینے کا فیصلہ کیا ہے۔ اس موقع پر آپ نے ایک سوال کے جواب میں کہا کہ چونکہ بیکو ورکس بلائی ریٹ میں خاصی تیزی سے اضافے کی طرف سے کوئی ٹیچر نہیں لگا رہا ہے اس لئے اس کے مزدوروں کی طرف سے سالانہ ترقیوں دینے کا فیصلہ عدالت کے فیصلے کے بعد کیا جائے گا۔ صنعتوں کو ترقی دینے کے بارے میں اپنے خیالات کا اظہار کرتے ہوئے انہوں نے کہا کہ اگر تمام پہلوؤں کا جائزہ کرنے کے بعد یہ بات ثابت ہو کہ صنعتوں کو ترقی دینے میں کارکنوں کے حقوق اور ملک کا وسیع تر مفاد ہے تو بیکو کی انتظامیہ اس سلسلے میں حکومت سے پوری تعاون کرے گی۔ تاہم جہاں تک ملک کے بعض اداروں مثلاً گریڈ شپ پارچہ پینٹنگ میٹل ملز، شیش ٹول فیکٹری، انڈسٹری کراچی کے سرکاری تحویل میں ہلانے کے تجربے کا تعلق ہے وہ کسی صورت بھی حوصلہ افزا نہیں ہے کیونکہ سرکاری تحویل میں چلے جانے سے مزدور اداروں کی کارکردگی بڑی طرح متاثر ہوتی ہے۔

لاہور ۱۹ دسمبر (جے پی آر) ایف ایم لطیف نے پریس کانفرنس میں اپنے کارخانوں کے ملازمین کو ہر سال پونے دو لاکھ روپے کی رقمیں اس وقت گزشتہ مالی سال کی پینشن شیٹ پر وقت تیار نہ ہونے کی وجہ سے پونے دو لاکھ روپے کے اعلان میں تاخیر واقع ہو گئی۔ چنانچہ اب وہ اب کتاب مکی بروت پر رپورٹوں کی ڈاکٹریٹوں کے ساتھ ۱۹۶۹ء کے مالی سال کے لئے ایک ماہ کا بونس دینے کا فیصلہ کیا ہے۔ اس موقع پر آپ نے ایک سوال کے جواب میں کہا کہ چونکہ بیکو ورکس بلائی ریٹ میں خاصی تیزی سے اضافے کی طرف سے کوئی ٹیچر نہیں لگا رہا ہے اس لئے اس کے مزدوروں کی طرف سے سالانہ ترقیوں دینے کا فیصلہ عدالت کے فیصلے کے بعد کیا جائے گا۔ صنعتوں کو ترقی دینے کے بارے میں اپنے خیالات کا اظہار کرتے ہوئے انہوں نے کہا کہ اگر تمام پہلوؤں کا جائزہ کرنے کے بعد یہ بات ثابت ہو کہ صنعتوں کو ترقی دینے میں کارکنوں کے حقوق اور ملک کا وسیع تر مفاد ہے تو بیکو کی انتظامیہ اس سلسلے میں حکومت سے پوری تعاون کرے گی۔ تاہم جہاں تک ملک کے بعض اداروں مثلاً گریڈ شپ پارچہ پینٹنگ میٹل ملز، شیش ٹول فیکٹری، انڈسٹری کراچی کے سرکاری تحویل میں ہلانے کے تجربے کا تعلق ہے وہ کسی صورت بھی حوصلہ افزا نہیں ہے کیونکہ سرکاری تحویل میں چلے جانے سے مزدور اداروں کی کارکردگی بڑی طرح متاثر ہوتی ہے۔



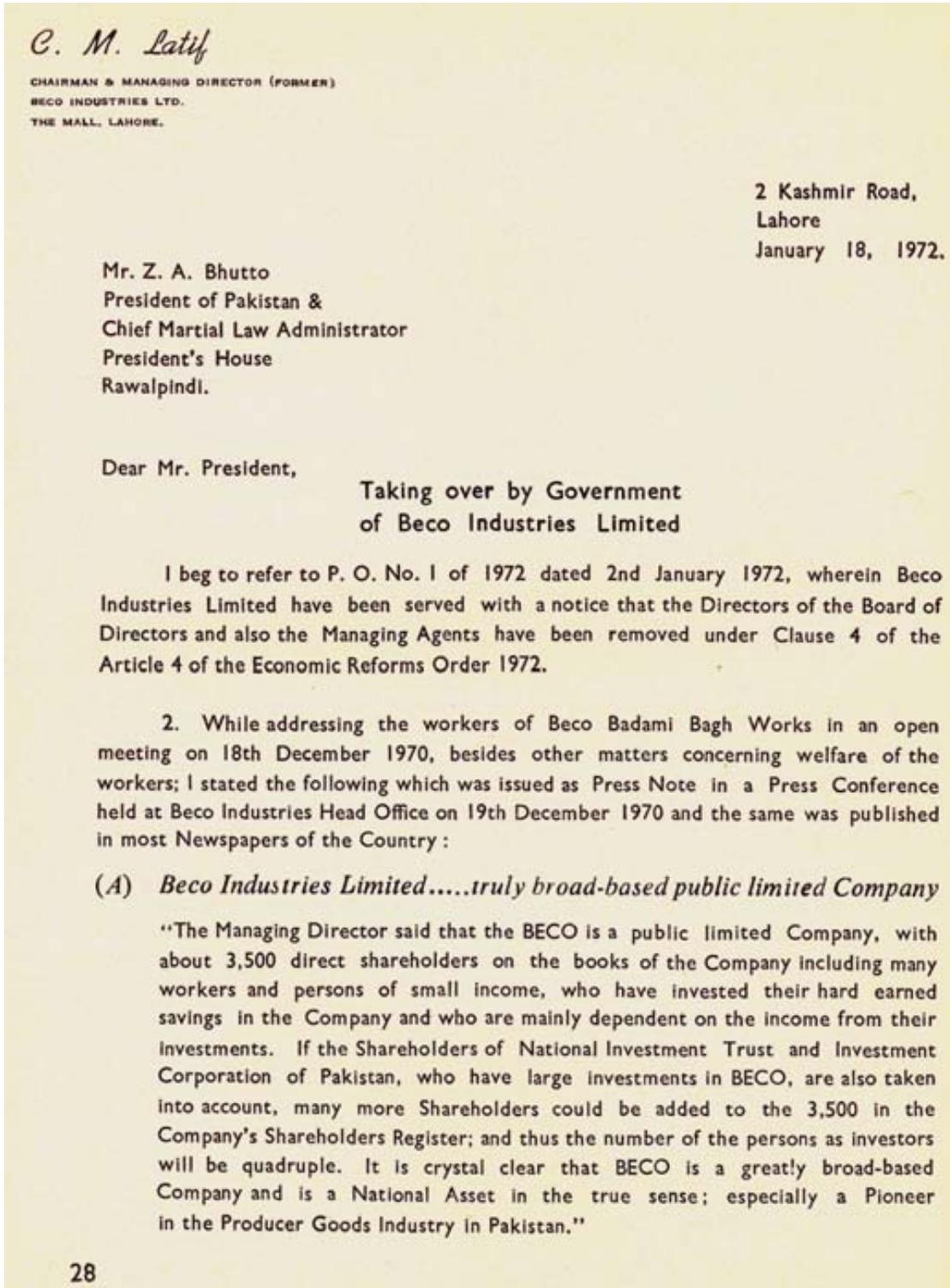
مستری ایم ایف ایم لطیف نے پریس کانفرنس میں اپنے کارخانوں کے ملازمین کو ہر سال پونے دو لاکھ روپے کی رقمیں اس وقت گزشتہ مالی سال کی پینشن شیٹ پر وقت تیار نہ ہونے کی وجہ سے پونے دو لاکھ روپے کے اعلان میں تاخیر واقع ہو گئی۔ چنانچہ اب وہ اب کتاب مکی بروت پر رپورٹوں کی ڈاکٹریٹوں کے ساتھ ۱۹۶۹ء کے مالی سال کے لئے ایک ماہ کا بونس دینے کا فیصلہ کیا ہے۔ اس موقع پر آپ نے ایک سوال کے جواب میں کہا کہ چونکہ بیکو ورکس بلائی ریٹ میں خاصی تیزی سے اضافے کی طرف سے کوئی ٹیچر نہیں لگا رہا ہے اس لئے اس کے مزدوروں کی طرف سے سالانہ ترقیوں دینے کا فیصلہ عدالت کے فیصلے کے بعد کیا جائے گا۔ صنعتوں کو ترقی دینے کے بارے میں اپنے خیالات کا اظہار کرتے ہوئے انہوں نے کہا کہ اگر تمام پہلوؤں کا جائزہ کرنے کے بعد یہ بات ثابت ہو کہ صنعتوں کو ترقی دینے میں کارکنوں کے حقوق اور ملک کا وسیع تر مفاد ہے تو بیکو کی انتظامیہ اس سلسلے میں حکومت سے پوری تعاون کرے گی۔ تاہم جہاں تک ملک کے بعض اداروں مثلاً گریڈ شپ پارچہ پینٹنگ میٹل ملز، شیش ٹول فیکٹری، انڈسٹری کراچی کے سرکاری تحویل میں ہلانے کے تجربے کا تعلق ہے وہ کسی صورت بھی حوصلہ افزا نہیں ہے کیونکہ سرکاری تحویل میں چلے جانے سے مزدور اداروں کی کارکردگی بڑی طرح متاثر ہوتی ہے۔

industries if it was found that the country's interest at large could be better served by it. Addressing a Press conference in Lahore, he said before taking any step towards nationalisation it was necessary to take into full consideration various aspects of the issue such as end prices to the consumers, investors and workers' interests, Government revenue, management and production efficiency and overall economy of the country.

He, however, said that the up-to-date experience of the heavy projects set up in the public sector for the last many years by investment of crores of rupees was most discouraging. He cited the examples of the Karachi Shipyard, Chittagong Steel Mill, Machine Tool Factories at Landhi (Karachi) and Joydebpur, near Dacca, which, he said, were experiencing continuous financial losses whereas their production was practically nil.—APP.

Latif's Unacknowledged Letter to President Bhutto

This is the letter written by C.M.Latif offering his services to Mr. Bhutto, the then President of Pakistan.



Continued reproduction of letter written by
C.M.Latif offering his services to Mr. Bhutto, the then President of Pakistan.

(B) Policy of Nationalization

“While Welcoming the result of peaceful and most democratic Elections of National and Provincial Assemblies of Pakistan, the Managing Director told the workers that if after a thorough study and full consideration of the various aspects of the Nationalization Issue :

- Such as End-Price to Consumers
- Investors and Workers Interests
- Government Revenue
- Management and Production Efficiency
- and Overall Economy of the Country;

it is found that the Country's interests at large can be better served by Nationalization, the Beco Management will offer full co-operation to the Government in this regard.

He, however, added that the up-to-date experience of the projects set up in the Public Sector for the last many years by investment of crores and crores of rupees, especially in the Metal Engineering Industry, is most discouraging. He quoted examples of Karachi Shipyard, Chittagong Steel Mill, Machine Tool Factories at Landhi (Karachi) and Joydepur near Dacca.”

3. Brief History and Performances of BECO

In 1933 when the Muslims of Northern India did not own any organized Industry or Business worth mentioning, BECO was started as a Public Limited Company with an Authorised Capital of Rupees One Lakh and started operation with Paid up Capital of Rupees 2,700.

At the time of Partition, this Company ranked as one of the Largest three Machine tool Manufacturers in the Sub-continent. This Company was shifted to Lahore after partition, with its trained manpower and Muslim Shareholders enblock. Today, the Company's Ordinary Share Capital is Rs. 4,04,82,050 with Reserves which are also Rupees Four Crores. The past performance of the Company may be judged from the figures of the net profits of the past three years, which are as follows: —

Year ending 31st March 1968	..	Rs. 2,53,28,505
Year ending 30th June 1969	..	Rs. 2,91,89,361
Year ending 30th June 1970	..	Rs. 1,75,94,779

The Company's contribution to the National Exchequer, besides other Taxes on account of Income Tax alone, during the said period has been well over a Crore of Rupees per year, which has been paid up-to-date.

Continued reproduction of letter written by
C.M.Latif offering his services to Mr. Bhutto, the then President of Pakistan.

4. Present Structure and Projects in Hand

At present the Company owns 12 Units, for manufacture of Various Products. The Company has also currently in hand matured schemes for establishment of three new Projects, namely:—

- (a) Manufacture of Cotton Ring Spinning Frames
- (b) Installation of Demonstration Textile Mill
- (c) Mini Steel Mill for making Steel Billets.

The feasibility of project for manufacture of Ring Spinning Frames was duly scrutinized and approved by the International Finance Corporation and PICIC and required foreign loans were sanctioned.

For Demonstration Textile Mill, firm contracts have been signed with Soviet Union Suppliers on Pay-As-You-Earn on deferred payment scheme.

The installation of Mini Steel Mill Project, approved in principle by CIPCOC and our application for financing was being processed by PICIC and IFC. This was achieved by personal efforts of C. M. Latif with Mr. Gaud, Executive Vice-President of IFC, who assured him on 9th November 1971 that IFC was interested in financing the projects sponsored by him.

All Three Projects are basic and are of National Importance for the Economy of Pakistan.

5. Beco Industries various Manufacturing Units are not covered under specified categories of Presidential Economic Reforms Order

The avowed object of the Presidential Broadcast of 2nd January 1972, was to take over only ten categories of Industries with an assurance that (quote) *It is not the intention of the Government to extend control over other categories of Industries* (unquote) All Manufacturing Units owned by BECO, particularly the Units for Manufacture of Electric Motors, Bicycles, Agricultural Implements, Safes, Cabinets, Machine Tools, Powerlooms, Diesel Engines; which are separate and distinct Units and are also located in different places; do not at all fall under any of the categories of the Industries mentioned in the Presidential Broadcast of 2nd January 1972. The Company therefore, should have been permitted to run these Units, especially when similar other identical Units have not been taken over. We, therefore, seek clarification of the Order of take over and pray for issuance of proper directions that the Board of Directors be permitted to function and run the Industry not intended to be taken over by Presidential Order.

Continued reproduction of letter written by
C.M.Latif offering his services to Mr. Bhutto, the then President of Pakistan.

We also beg to bring to your kind notice that when the order for take-over of Beco Industries Limited was served (on 3-1-72); we noted on the order, and offered to hand over proper charge of the Assets and affairs of the Company; but the local authorities instead, directly assumed possession.

30

6. Utilization of all available talents in the Country.

C. M. Latif, who is the founder/promotor of this Company, is a professional Engineer and has been responsible for running this Company for the last 38 years.

I have been managing this Company on behalf of Beco Agencies Ltd., on whole time basis and have no interest in any other concern, not even as a director.

In your first Broadcast to the Nation as President of Pakistan, you expressed your desire to search and utilize the talents for the greatest interest of the country. Encouraged by this, I would place my services at your disposal, to be utilized in any manner your goodself may wish; especially in the field of Industry, particularly Steel and Engineering Industry, where my 40 years experience and talent could be utilized in the interest of the Country.

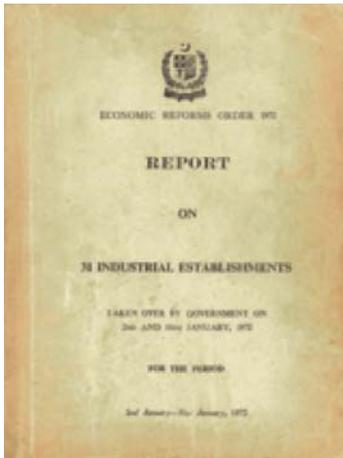
Thanking you.

Yours sincerely,
(C. M. LATIF)

*This Letter never got acknowledged or replied back from any offices
of the Government, including the President and his officers.*

Some Extracts From the Take-Over Reports on Industrial Establishments

Cover and Introductory page of booklet



From the introductory page, scanned right the amount of lies can be assessed while looking back in time from the year 2005.

INTRODUCTION

This is a compilation of the reports prepared by the Government-appointed Managing Directors of industrial units whose management was taken over on the 2nd and the 16th January, 1972, under the President's Economic Reforms Order, 1972. It gives details of the take-over operation, the state of affairs at these units on the take-over day, their financial structure and net worth, their methods of working, especially the purchase and sale organisations and some of the irregularities committed by the out-going managements. The reports are not exhaustive. The new (*ad hoc*) management has been in position for only a short period and on further investigation, more details would become available. Many aspects require deeper investigations and longer period of reports. It is the policy of the Government to take people into confidence about the running of the industries taken over so that public business is done before the eyes of the people. It is intended to publish, consistent with the business interests, reports on these units periodically, showing the progress made, the problems encountered and the way they were sought to be solved. A public debate would be most welcome.

2. The present Government intends to play a significant role in the industrial sector with a view to ensuring the good of the general public, a fair deal to the consumer and protection to small enterprises against unfair competition by big business and family groups. The entire industrial edifice built-up in this country be-speaks of the failure to take heed of the social imperatives leading to corrupt practices and exploitation of the common man by a handful of privileged persons. The system produced a class of 'entrepreneurs' which proved to be totally oblivious of the larger national interest. They were a by-product of a closed economy protected by a wall of tariffs, tax holidays, foreign exchange allocations at cheap rates and a general lack of competition. None of them can really claim that their entrepreneurial ability was a material factor in building-up of their industrial empires. It was the tax-payers' money, the high prices paid by the captive consumers and the lavish grant of foreign exchange loans at cheap rates that were responsible for their prosperity. The fact that the same group started controlling banks, insurance companies and other institutions further aggravated the situation to the detriment of the common man.

3. This compilation of reports would show that the impression created by the big industrialists that the private sector was exercising good management control and was running the industrial establishments efficiently is not correct. In fact, with rare exceptions, these industries were being run on most un-scientific lines. The story of private sector management as revealed by these reports is one of skimming the profits of the corporation through the device of managing agencies and sole distribution agencies, misuse of corporate facilities by the directors and their families, poor financial management, large over-drafts, bad management-labour relations, undefined production strategy, advances given to directors of the companies, sometime without any security and no accountability to the shareholders. All this will be changed before long, so that these companies become accountable and give a fair deal to the shareholders, the workers and the consumers and make a real contribution to the national economy by utilizing their productive potential in full. The existing fabricating facilities and skills will be used in achieving wholly indigenous manufacture of certain fundamental producer goods and making the country self-sufficient to the maximum extent possible. The day will soon come when Pakistan will be proud of its products.

4. It will be noted that four of the undertakings namely :—

1. M. K. Foundry Limited, Lahore ;
2. Pakistan Fertilizer Limited, Karachi ;
3. Ghandhara Diesels Limited, Karachi ;
4. Valika Steel Mills Limited, Karachi ;

are in the process of being implemented. It will take a substantial amount of money to put them on the ground in order to start production.

5. Appreciation is due to the Managing Directors who are looking after these industries in the interim period. They have done their duty to the nation well in this hour of crisis.

QAMAR UL ISLAM,
Secretary.
26-1-1972.

Some Extracts From the Take-Over Reports on Industrial Establishments

Concerning BECO only first 2 pages numbering 120 & 121 from the 278 page report is being reproduced.

120

REPORT ON BECO INDUSTRIES LIMITED**Brief Report on Actual "Take-over" Operation**

Immediately on receipt of Government Orders at 5.30 P.M. on Sunday the 2nd January, 1972, appointing Mr. Mohammed Humayun, C.S.P., Director of Industries and Mineral Development, Punjab, as the Managing Director of Messrs BECO Industries Limited, Badami Bagh and Kot Lakhpat Works, Lahore, the following premises of the Company were sealed by mid-night :—

- (1) Head Office of the Company at the Mall, Lahore.
- (2) Badami Bagh Works, Badami Bagh, Lahore.
- (3) Kot Lakhpat Works, Kot Lakhpat, Lahore.

On the 3rd January, 1972 the Head Office was allowed to remain closed but the Works at Badami Bagh and Kot Lakhpat were desealed to ensure uninterrupted production and Sales.

The President's message was read out to the Managers and the Representatives of the Labour Unions at both the Badami Bagh and Kot Lakhpat Works. The message was widely welcomed. Apparently the entire labour force was charged with a new missionary zeal and production was immediately resumed.

The Central Government Order removing the Board of Directors, all Directors and Managing Agencies of Messrs BECO Industries Ltd., Badami Bagh and Kot Lakhpat, were served on Mr. C.M. Latif, the former Managing Director of the Company, at his residence on Monday the 3rd January, 1972. Thereafter all the Books of Accounts, Records and other papers pertaining to Messrs BECO Industries Limited at Badami Bagh and Kot Lakhpat were taken over. All the premises of the Company remained guarded by an adequate police force from 11 p.m. on Saturday the 1st of January, 1972 until the first phase of the "Take-over" operation was completed.

On Tuesday the 4th January, 1972 the Head Office of the BECO Industries Limited, The Mall, Lahore was desealed and all its Books of Accounts, Records and other papers were taken over. The President's message was again read out to the Managers and Staff of this Company who greeted the change-over with cheers and pledged loyalty and support to the interests of Government, Shareholders, Workers and Consumers.

Brief History

The Company was incorporated in 1950 at Lahore following the exchange of the promoters' engineering work, the Batala Engineering Company at Batala in East Punjab with the Mukand Iron and Steel Works at Lahore.

The predecessor company was founded in 1933 with a paid-up capital of Rs. 6,000. At the time of partition the share capital of the Company was Rs. 25 lacs.

In 1948, the Company engaged in the manufacture of Agricultural Implements, Lathes, Shapers, etc., operated foundries, machine shops and an electric arc furnace. In 1950 BECO started the manufacture of slow speed diesel engines of 10—30 H.P.

Some Extracts From the Take-Over Reports on Industrial Establishments

Concerning BECO only first 2 pages numbering 120 & 121 from the 278 page report is being reproduced.

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In 1952, four modern steel re-rolling mills were installed alongwith capacity for the production of heavy structures such as oil tanks and canal gates.

In 1953 the production of centrifugal and deep-well turbine pumps was begun with German collaboration.

In 1956 the production of high speed diesel engines was initiated with German collaboration. Two other new units were also added: one, a general engineering department to mass-produce Concrete Mixers, non-standard machinery and mechanical parts and the other to manufacture textile power looms with Japanese collaboration.

At this stage the Company acquired 225 acres of land at Kot Lakhpat for the installation of other works. The Kot Lakhpat Works consist of :

1. A Bicycle plant with a capacity of 100,000 units per year. This is the largest bicycle plant in the country. It was set up with Dutch collaboration.
2. An electric motor plant set up in collaboration with U.K. interests.
3. Heavy structural division, for the supply of canal gates, transmission towers, process equipment, etc.

Today the company has some 5,000 Shareholders and a paid-up share capital of Rs. 5.05 crore. It has paid a dividend of between 7½% and 20% in 12 of the past 16 years. No dividend was paid in 1962—65. The company has certainly been a pioneer in and made an important contribution to, the Engineering Industry of Pakistan. Yet for several reasons it has never operated at its full potential or national contributive capacity.

Summary of facilities

1. BADAMI BAGH WORKS

Area	<u>54 acres, 80% built-up.</u>
Employing	1,679.

This consists of various specialized Divisions including Machine Tool Shop; Testing Laboratories; Diesel Engine Shop; Pump Manufacturing Division; Steel Casting and Electric Furnances; Cast Iron Foundry; Structural Division; Galvanizing Plant General Engineering Shop; Power Loom Shop; Pattern Shop; Refractories Section : Non-Ferrous Rolling Mills ; Steel Re-rolling Mills, etc. It has a Design Department and other Service Departments.

2. KOT LAKHPAT WORKS

Area	<u>225 acres,</u>
Employing	981

These consists of a Bicycle Division, complete with all production units; Electric Motor Division; Structural Division, Re-rolling Mills; Tube Mills; Galvanizing Plant and other Service Departments.

3. KARACHI WORKS

Area	<u>3 Acres.</u>
Employing	50 workers and staff.

This consists of two Re-rolling Mills and a Repair Shop

THIS LETTER ALSO MET THE SAME FATE LIKE THE ONE PRINTED ON PAGES 211-214,
AS NONE OF THE ADDRESSEES BOTHERED TO ACKNOWLEDGE OR REPLY IT.

TELEPHONE : 54667 TELEGRAMS : "BECOAGENCY"

THE BECO AGENCIES LTD.

EXCLUSIVE DISTRIBUTORS IN PAKISTAN FOR
UNITED STATES STEEL INTERNATIONAL (New York) INC.
NEW YORK (U.S.A)

2-KASHMIR ROAD,

OUR REF. NO. _____ LAHORE 13th March, 1972
(PAKISTAN)

<p>1. Mr. Mubashir Hassan Minister of Finance Government of Pakistan Islamabad.</p>	<p>2. Mr. Qamar-ul-Islam, S.Pk., S.Q.A., C.S.P., Secretary, Ministry of Industries, Government of Pakistan, Islamabad.</p>	<p>3. Mr. A.G.N. Kazi S.Pk., S.K., C.S.P. Secretary, Ministry of Finance, Government of Pakistan Islamabad.</p>
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Dear Sir,

On 5th March 1972, the President of Pakistan while addressing a gathering of Businessmen and industrialists in Ayub Hall, Rawalpindi announced as under :

(a) "We visualize a mixed economy for Pakistan. Private initiative and enterprise has a distinct part to play in this national rebuilding. The Government would lay down conditions for the specific role which private sector can play. This role and this objective has been spelt out earlier. We would never again tolerate cartels and monopolies".

(b) "Those patriots who are willing to abide by these national conditions *are welcome to invest in the broad categories of industries which have been left to private enterprise.* Such persons would be liberally assisted by Government. Government-managed sector of industry is relatively small. It embraces mainly heavy and basic industries and public utilities. These are areas which must be controlled and managed by Government in the larger interest of Pakistan. The remaining field of industrial enterprise has been left wide open for the private entrepreneur. This include textiles, sugar, newsprint, matches, pharmaceuticals, vegetable ghee and a host of other lucrative industries."

You are aware that we have been engaged throughout since 1933 in METAL ENGINEERING MACHINE MAKING INDUSTRY. Because of our 40 years experience in this line and the know-how we have acquired in the various branches of the Metal Engineering Machine Making Industry, we like to launch a new Industrial Project in one of the following Manufacturing Branches :

1. General Purpose Machine Tools.
2. Small Diesel Engines, 3 HP to 100 HP.
3. Textile Machinery, like Power Looms, Ring Spinning Frames, Carding Engines and Finishing Machinery.

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Continued reproduction of letter written by C.M.Latif

4. Irrigation pumps (Centrifugal Pumps and Deepwell Turbine Pumps).
5. Steel Melting (Electric Arc Furnaces-cum-Continuous Casting).
6. Bicycles and their Parts, and light two-wheel Motor Cycles/Scooters/Mopids etc.
7. Electric Motors, Generators, Electric Fans and Switches.
8. Industrial Machinery like small Overhead Cranes, Concrete Mixers, Earth Moving Machinery, Machinery for Sugar Mills and Chemical Plants, Fire Fighting Sets, Compressors etc., etc.
9. Agricultural Implements like Sugar Cane Crushers, Wheat Threshers, Choppers etc., etc.
10. Irrigation Tubewell Equipment and Accessories.
11. Bars and Section Steel Re-Rolling Mills Manufacture and Operation.
12. Light Steel Fabrications.
13. Bolts and Nuts.
14. Small and medium size Electric Transformers.
15. Light resistance-welded Tubings for Bicycles and household furnitures.
16. Cast Iron and Steel Foundry.
17. Non-Ferrous Metal Foundry, for Zinc, Aluminium, Bronze, Copper etc.
18. Galvanizing Plant.
19. Refractories and Fire-bricks.

We beg to approach you to please inform us whether the above stated branches of Metal Engineering Machine Making Industry fall under the broad categories of Industries which have been left to the private enterprise, as mentioned in paragraph (b) quoted in the foregoing from the President of Pakistan's speech, so that we may make arrangements for starting our new project.

We may add that it is possible for us to negotiate for Foreign Capital participation depending on the Government's Permission and nature of the Project.

On receipt of Government's permission, we intend to convert The Beco Agencies Limited, which is at present a Private Limited Company, into a Public Limited Company, and invite general public for participation.

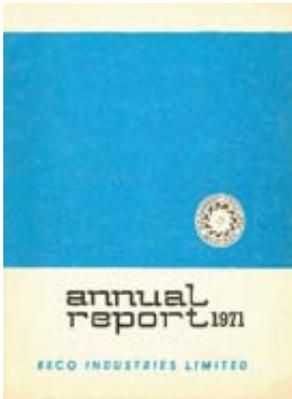
As at present we are not engaged in any industrial activity, and we are anxious to start our project at an early date, a prompt reply to our letter is requested.

Thanking you, we remain, dear sir,

Yours faithfully,
for THE BECO AGENCIES LIMITED.

Sd/-
(C.M. Latif)
Managing Director

Pilfer & Corruption at Official Level



On 30th June, 1971 the closing accounts were not yet finalized. The Beco was Taken-over on 3rd Jan, 1972. The auditors, while completing them, revealed that there were hidden profits in the company's accounts in the form of low valuation of stocks, so as to assist the management (original) in properly taking off the new expansion projects which were in the pipeline at the time.

The new Managing Director appointed by the Pakistan Government, a C.S.P officer, took this, as a one time chance to skim, as much as possible of these un-declared amounts to his advantage and therefore reduced the profit by Rs 21,391,464/- (about rupees 21 million as in the year 1972), but inflation adjusted in the year 2005 this amount could look like 500 Million rupees.

The information reproduced below (summary page of the balance-sheet) will show in figures the **first pilfer/corruption and beginning of demise** the Government of Pakistan initiated due to handing-over the industries to C.S.P officers, which in case of Beco the new MD after making whatever he could left the country and settled in U.S.A.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Profit and Loss Account for the period from 1st July, 1970 to 30th June, 1971 and also the annexed Balance Sheet of Beco Industries Ltd., as at 30th June, 1971 and we state that we have obtained all the information and explanations which we required and, after due verification and subject to notes, schedules and appendices thereof, we report that :

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Act 1913
- (b) in our opinion, the Balance Sheet and the Profit and Loss Account together with the notes, schedules and appendices have been drawn up
 - (i) in conformity with the Companies Act, 1913 and
 - (ii) in accordance with the requirements of the Second Schedule to the Securities and Exchange Rules, 1971;
- (c) in our opinion, subject to our report and to the best of our information and according to the explanations given to us:
 - (i) the Balance Sheet and the Profit and Loss Account which are in agreement with the books of account exhibit a true and correct view of the state of the company's affairs; and
 - (ii) the expenditure, incurred was for the purpose of Company's business.

As a result of discrepancies of serious nature pointed out in our separate report and appendices A & B which form part of this report, the net profit before taxation has been reduced by Rs. 2,13,91,465/- from Rs. 5,11,73,488/- to Rs. 2,97,82,023/- by the present Management, the summary of which is appended below :-

Omissions of non-recurring trading liabilities etc. treated as income under Section 10 (2A) of the Income-Tax Act, or otherwise not payable.	79,68,968	
Understatement of closing stock as at 30-6-1971		1,29,88,654
Increase in the productive wages and establishment.	21,68,283	
LESS : Decrease in Workers Participation Fund.		
Establishment	5,78,146	
LESS : Managing Agency Commission	11,56,294	
	17,34,440	4,33,843
	Total Rs.	2,13,91,465

M. HUSSAIN CHAUDHURY & CO.
Chartered Accountants.

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Details of Justice Kaikus' Report, 1973

Following are details of report submitted to the High Court, Lahore, by the court-appointed Annual general meeting Chairman of Beco, Retd Justice Kaikus.

This case was initiated to stop the pilfering of the Company and gives a good insight of what was going on regarding the affairs of the Company during the first year of its Take-over.

IN THE LAHORE HIGH COURT, LAHORE

CIVIL ORIGINAL No. 15 of 1972.

Re : BECO AGENCIES LTD. VS : MANAGING DIRECTOR
BECO INDUSTRIES LTD.

REPORT OF THE MEETING OF BECO INDUSTRIES LTD.

By his order dated the 23rd December, 1972, Mr. Justice Muhammad Akram, appointed me as "Chairman to hold, preside and conduct the proceedings of the Annual General Meeting of the share-holders of the BECO Industries Ltd., already called by the respondent to be held at the Falettis Hotel at 4-00 P.M. on Tuesday, the 26th December, 1972, in accordance with the directions given by me." The agenda of this meeting was the following :—

- (1) To confirm the minutes of the previous Annual General Meeting.
- (2) To receive and adopt the Audited Accounts together with the Managing Director's and Auditor's reports for the year ended June 30, 1971.
- (3) To confirm the payment of interim dividends.
- (4) To approve the appointment of Auditors for the year 1972 and fix their remuneration.
- (5) To consider any other business which may be placed before the Meeting with the permission of the chair.

Even before I started proceedings of the meeting I was provided by the present Managing Director (the respondent) with a copy of an order of the Supreme Court (already forwarded to the effect that pending the decision of the matter by the Supreme Court only the agenda that had already been circulated to the share-holders could be considered and disposed of at their meeting. In view of the order I could only proceed with items Nos: 1 to 4.

After recitations from the Holy Quran we began with item No: 1. The minutes of the last meeting were actually read over. The house confirmed the minutes except for this that, as pointed out by one of the share-holders, there was no recital in the minutes as to the minutes of the previous meeting having been read and confirmed. It was agreed that this was an omission.

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

We then took up next item which was the most important on the agenda that is "to receive and adopt the Audited Accounts together with the Managing Director's and Auditor's reports for the year ended June 30, 1971." Before discussion on this item began an objection was raised on behalf of the respondent that the adoption of the balance sheet could not be put to vote as the house possessed no authority to reject the balance sheet and reliance was placed in this behalf on section 10 of Development Industries (Federal Control) Ordinance 1972, which runs :—

" In the case of an establishment owned or controlled by a company, the general meeting of the Company before which a balance-sheet is laid shall not, if the Federal Government, by order in writing so directs, have the authority to refuse to adopt the balance sheet, but nothing in this section shall be construed to prevent any share-holder from expressing his views on the financial affairs of the establishment and a record of the proceedings of such meeting shall be forwarded to the Federal Government not later than fifteen days of the meeting."

There was a notification by the Government of Pakistan dated 1st November, 1972, No: S.R.O. 1021(1)/72, under the above-mentioned section wherein the Federal Government had given a direction that the General Meeting of the Companies mentioned in the Schedule to the Notification, before which a balance sheet was laid, shall not have authority to refuse to adopt the balance sheet. The BECO Industries Ltd., was one of the Companies appearing in the Schedule. The position thus became clear that the share-holders could not by their vote refuse to adopt the balance-sheet but that any share-holder had the right to express his views on the financial affairs of the establishment and that a record of these proceedings was to be forwarded to the Federal Government within 15 days of the meeting. So I permitted the share-holders to express their views and quite naturally I had to allow the management to reply to objections raised by the share-holders. So in respect of this item I will be recording what was said by the share-holders and by the management.

In order that what was said during the discussion may be properly appreciated, it is necessary to state a few preliminary facts. The annual general meeting of the BECO Industries Ltd., was held on 30.12.1971 but the balance-sheet for the year ending 30.6.1971 could not be presented due to the war and the disturbed conditions in the country and the Registrar, Joint Stock Companies granted permission for presentation of the balance-sheet by 31.3.1972. On 2.1.1972 the BECO Industries Ltd., was taken over by the Government under the Economic Reforms Order. In accordance with the accounts of the Company which had been audited by its statutory auditors, Messrs. Hussain Chaudhri & Co., a balance-sheet was prepared and sent to the auditors on 13.3.1972. As the balance-sheet had not been signed by the Managing Director

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

appointed by the Government the auditors sent it to the Managing Director for authentication. According to the Managing Director he was not satisfied with the correctness of the balance-sheet as the profit shown in it was Rs. 5,11,73,488/- which was much higher than the profit in the previous years inspite of the fact that in the year 1970-71 sales had diminished, and therefore "it was felt necessary to verify stock valuation before presenting the accounts." He appointed three firms of chartered accountants whom he refers to as Consultants, who "examined the valuation of stocks and stores" and as against the valuation of Rs. 13,19,88,249/- by the statutory auditors reported a valuation of Rs. 11,89,99,595/- so that there was a reduction of value of stock and stores by Rs. 1,29,88,654/- and there was a similar reduction in profits. The Managing Director made further reductions in income which will presently be stated so that the profits were reduced from Rs. 5,11,73,488/- to Rs. 2,97,82,023/-. At the same time the Managing Director received expert advice to the effect that the income tax payable was Rs. 2,24,00,000/-. The profits thus available for distribution would, in accordance with the balance-sheet presented by the Managing Director be in the neighbourhood of Rupees seventy lakhs only.

Before proceeding further I will specify the main points of difference between the balance sheet prepared in accordance with the accounts audited by the statutory auditors and that presented by the Managing Director. They are the following :—

- (1) According to the inventory of the auditors the total weight of billets, angles and steel ingots was 8,333 tons, while according to the inventory of the Consultants it was 6,138 tons so that there was a decrease of 2,195 tons and this meant a reduction of more than thirty lakhs in value. At the same time there was a big difference in valuation of the stock. The auditors valued the stocks of billets at Rs. 1,455/- per ton which was the actual cost of the billets, and was also the average cost of billets imported during the year under discussion. The consultants valued the billets lying at Badami Bagh at Rs. 880/- per ton and those lying at Kot Lakhpat at Rs. 970/- per ton. They said they were adopting the basis for their valuation the rule "last in first out," a rule which the auditors said was neither relevant nor had been adopted by the Company.
- (2) According to the Managing Director there were trading liabilities of BECO to Chief Controller of Imports and Exports, to the WAPDA and M/s. Jacuzzi Brothers, for which provisions had to be made and the profits would have to be reduced to the extent of such liabilities. The auditors had said that there was no proper proof of the existence of these liabilities and no provision for them was needed. The total amount of these items was Rs. 79,68,968/-. It was admitted on behalf of the Managing

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

Director that under section 10(2-A) of the Income Tax this sum of Rs. 79,68,968/- was the income of the Company but it was urged that it was not income for the purpose of the balance-sheet.

- (3) A sum of Rs. 21,68,283/- had been paid to the workers by way of bonus and on account of increase towards wages and establishment. This sum had been paid after 13.3.1972, the date on which accounts had been prepared and sent to the auditors. The auditors said that the amount of bonus had been provided by an agreement dated 29.6.1972, while the increase towards wages and establishment was the result of agreements dated 24.5.1972 and 6.6.1972, and therefore, these payments were to be incorporated in the accounts of the year 1971-72 and not in the accounts of the year ending 30.6.1971.

During the debate there was severe criticism of the balance-sheet presented to the house, particularly in respect of the verification and valuation of the stock by the consultants. In the first place the share-holders objected that the balance-sheet prepared on 13.3.1972 had not been circulated to them although that was the document prepared in accordance with the accounts audited by the statutory auditors. The share-holders complained that while the comments of the Consultants had been circulated to them in the form of a pamphlet though such comments had no legal force and should not have been circulated, the audited accounts which ought to have been circulated had been with-held. The share-holders wanted the meeting to be adjourned so that they were first provided with those accounts. I told them that I had no power to adjourn the meeting for this purpose.

Quite a number of share-holders expressed their views. Mr. M. Anwar, Advocate, who is a share-holder and was also the counsel for Beco Agencies Ltd., made a detailed examination of the Managing Director's report raising numerous objections to it while Mr. Raza Hussain Shamsi an Advocate and a share-holder, who was also counsel for the management replied to those objections. The Managing Director addressed the meeting probably eight nine times. The present Chief Accountant spoke in explanation of the item relating to *trading liabilities*. Mr. C. M. Latif spoke a number of times and on two occasions at some length, and one of the statutory auditors Mr. Saeed Ahmad Chaudhri had a lengthy typed document which he read out and explained. The Consultants did not appear, nor did the Tax Expert who had given advice in respect of the tax provision and it was the present Chief Accountant who made a statement as the reasons for such provision. Some documents were circulated to the share-holders and some written representations were made to me. Some of the representations contained resolutions but I told the house that I had no authority at all, on account of the orders of the Supreme Court, to allow any new resolution to be moved.

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

On 26.12.1972 the meeting commenced at 4-00 P.M. and lasted till 8-30 P.M. The discussion on Item No. 2, could not however be finished by that time and as most of the share-holders were not prepared to continue sitting, the meeting had perforce to be adjourned subject to the orders of the High Court. I adjourned it to 2.1.1973. On that day the meeting commenced at 4-00 P.M. and lasted till 7 O'Clock.

The strongest attack during the debate was on the report of the Consultants in accordance with which there were at the spot only 6,138 tons of billets and ingots whereas in accordance with the audited accounts their weight was 8,333 tons so that there was a difference of 2,195 tons. The share-holders wanted to know where these billets and ingots of the value of more than rupees thirty lakhs had disappeared. Billets and ingots they said are excisable items. A day to day record of these items has to be kept for the purpose of excise at every stage of manufacture. The closing balance of billets and ingots of the year 1969-70 which was the opening balance of the year 1970-71 had not been found to be incorrect by the Consultants, nor was it part of their job to go into the correctness of that balance, yet that balance, it was admitted, had been altered by the Consultants in order to make it consistent with what the consultants reported. It was stressed that in two or three days a check at the spot was impossible and it was pointed out that whereas in the High Court the date of physical verification was stated to be 22.6.1972, in the comments of the Consultants the verification was said to have been carried out on the 19th and 20th June, 1972. The shareholders said they could not understand how the Consultants had been paid a fee of Rs. 25,000/- for a simple verification of stock valuation whereas the statutory auditors were paid only Rs. 7,000/- for auditing the whole year's accounts. Mr. Saeed Ahmad Chaudhri one of the auditors, made in his typed comments a vehement attack on the Consultants. He suspected a motive behind the reduction of stocks by the Consultants and said that their illegal act in altering the figures of the opening balance of 1970-71 with which they found no fault, was not only illegal but a very serious matter. He further criticised their report because it did not accept the existence of scrap at all, and it gave a "ridiculous explanation by inter-linking this scrap with re-melting scrap which has no relevancy with this scrap". Mr. Saeed Ahmad Chaudhri pointed out that the so called non-existent scrap had been offered for sale to the public by calling for tenders early in 1972 and the highest offer received was approximately eight lakhs, though its value according to the audited accounts was shown to be only Rs. 2,88,500/- as the entry in the accounts has to be based on what is regarded as realizable value.

It was also pointed out on behalf of the auditors that a check carried out in June, 1972 could have no relevancy in relation to stock existing on 30.6.1971. Mr. Fakhruddin one of the Consultants had made a statement in the High Court, "The physical check up was carried out on 22.6.1972 and was therefore, not relevant to the stocks which the Company had in the year ending 30.6.1971."

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

The Consultants were not present in the meeting, but the Managing Director rose to reply to the main point of the attack that is the disappearance of the billets. He offered an explanation of this disappearance. He said that in fact the billets had not disappeared anywhere and had been used in the manufacture of towers but somehow the billets issued for use in the manufacture of towers had not been shown in the registers. In support of his contention he referred to the weight of the towers as entered in the books to show that it had increased without any apparent reason. The opening balance of towers for the year 1970-71, he said, was 358 tons and 1,439 tons of towers had been produced during the year making a total of 1,797 tons. However during the year 1,833 tons of tower had been sold and yet the closing balance of towers for the year 1970-71 was 1,734 tons. Thus there was an increase of 1,770 tons. This increase he said had come from the billets. The decrease of billets was 2,195 tons out of which 1,770 tons were explained by increase in the towers and the remaining 425 tons may have been wasted during the manufacture. According to the Managing Director the disappearance of the billets was thus fully explained.

Mr. C. M. Latif then got up to reply to this contention of the Managing Director. He said that the statement of the Managing Director was based on a total misconception of facts and it would not take long to show that the explanation was wholly untenable. Mr. C. M. Latif pointed out in the first place that billets as such are never used in the manufacture of towers. They would first have to be made into angles before they could be so used, and there would have to be a record of the manufacture of billets into angles, because for the purpose of excise a record had to be kept at every stage of manufacture. With this preface Mr. C. M. Latif made two main points. It had to be remembered he said that towers were manufactured only at Kot Lakhpat, while angles needed for the towers (which it is said were made from billets) were, except for about 5% manufactured only at Badami Bagh. Kot Lakhpat and Badami Bagh were two separate excise areas under the excise law, at a distance of eleven miles from each other, and the moment a manufactured article left an excise area duty had to be paid on it and a record would be kept of it, so that there would be a complete record of all the angles taken out of Badami Bagh and sent to Kot Lakhpat. Mr. C. M. Latif also pointed out that even returns of raw materials had to be filed with the Excise Authorities and there could be no omissions of entries in this respect.

The next point Mr. C. M. Latif made was intended for explaining the alleged increase in the weight of towers. Mr. Latif said that the Managing Director was not keeping in mind that huge quantities of imported material had also gone into the towers so that the weight of the towers did not depend only on the material which BECO itself manufactured. There were according to Mr. C. M. Latif huge quantities of imported angles which were being used in the manufacture of towers because till recently BECO was not manufacturing angles of big sizes necessary for construction of two out of three

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

categories of towers and even in the third category about 20% of the angles used were imported. Mr. Latif then referred to some other imported items which were being used in the manufacture of towers.

Mr. C.M. Latif had not yet finished his address when Mr. Afzal Khan, a member of Industrial Board of Management who had been present throughout the proceedings, got up and said that it was not necessary to debate this matter any further. He appreciated that the share-holders were not satisfied with the explanation given by the Managing Director, the matter had been very well explained by Admiral Chaudhri and Mr. C.M. Larif, and that further investigation was needed. He would duly make a report to the Government. At this the share-holders said there should be a commitment by the Government that there will be an investigation. They had previously too been stressing that to determine the true state of affairs there ought to be an inquiry by an impartial person. I explained to the share-holders that Mr. Afzal Khan was not in a position to make a commitment, that he had found good grounds existing for the making of an enquiry but could only make a report to the Government.

The other item to which serious attention was paid at the meeting was the one relating to trading liabilities. I have already stated that the auditors had found no sufficient proof of the existence of these liabilities amounting to Rs. 79,68,968/- and therefore, no provision was according to the auditors, needed in respect of them. The Chief Accountant of the BECO Industries Ltd., made a statement as to this item but the share-holders said it was the Tax Expert who should explain this item and not an employee of the Company. In fact the Managing Director had himself said that he was producing the Tax Expert but it turned out that the person produced was only the Chief Accountant of the Company and the share-holders said that they were not prepared to hear him. The Tax Expert was not present.

The plea of the Chief Accountant was that for the purpose of the Income Tax Act no doubt the item of Rs. 79,68,868/- was income because of section 10(2A) of the Income Tax Act but the amounts were in fact payable and therefore, provision had to be made for them. The auditors had not found sufficient proof of liability. This item raised a further difficulty on account of its alleged anomalous position that while it was in fact not income, income tax had to be paid on it. The result was that although the real profits were Rs. 2,97,82,223/- income tax would according to the Managing Director have to be paid on more than three crores and sixty five lakhs of rupees.

The dispute relating to payment of bonus and increase towards wages and establishment was also referred to and it was said that this item could not go into the accounts of 1970-71.

I have given above summary of the discussions relating to the balance sheet but item No. 2 on the agenda related also to the adoption of the Managing Director's report

Company Affairs During First Year of the Take-Over

Details of Justice Kaikaus' Report, 1973 Continued.

and the Auditor's report. It was contended by the share-holders that the bar of section 10 quoted above applied only to the balance sheet and that the other two items that is, the adoption of the Managing Director's report and the adoption of the Auditor's report could be put to vote. It was pointed out that the balance sheet, the Managing Director's report and the Auditor's report were mentioned in three separate sections of the Companies Act. There was practically no reply to this contention and I permitted the voting. On a show of hands there were out of 129 share-holders present, only 6 or 7 in favour of the Managing Director's report and the rest were against it. Therefore, the adoption of the Managing Director's report was rejected. Then there was voting on Auditor's report and there was a solitary vote against its adoption and an over-whelming majority in favour of its adoption. So the Auditor's report was adopted.

The Managing Director had in his address said that some of the share-holders had tried to malign the management. Admiral Chaudri took pains to explain that there was no intention at all to cast any aspersion on the management and that they were just criticising the verification by the Consultants and also putting forward their own point of view as to accounts. Mr. Latif made a similar statement and in fact he said before beginning his address on the question of towers that if he was going to be understood as casting any aspersion on the management he would rather not speak at all. No share-holder expressed any views inconsistent with what Admiral Chaudhri and Mr. C.M. Latif had said.

The third item on the agenda was then taken up and the interim dividends were confirmed by the house.

The fourth item had become redundant. The authority for the appointment of the auditors had in the meantime been conferred on the Board of Industrial Management by section 6(c) of the Development of Industries Ordinance and the Board had already appointed auditors. There could thus be no voting on the item.

I then tentatively adjourned the meeting to a date to be fixed subsequently. I say tentatively because the Supreme Court has yet to take its decision with respect to item No: 5. If the Supreme Court holds that item No. 5 is to be taken up the meeting should be regarded as having been adjourned. If it is held that item No. 5 is not be taken up then the meeting stands concluded.

Dated : 8.1.1973.

(B. Z. KAIKAUS)
Chairman,
Annual General Mteting of the
share-holders of BECO Industries Ltd.

“It Is Good Neither To Be Their Friend Nor Their Enemy”

Below is a scan of the third approach to the Government regarding BECO. This telegram was sent by a Share-holder, Mr.Lal Din Malik.

There was **NO REPLY**, TO ANY OF THE LETTERS SENT TO THE GOVERNMENT OFFICIALS, DURING THE COURSE OF THE YEAR JAN, 1972 and JAN,1973 SINCE INDUSTRIES WERE TAKEN-OVER, **BUT RATHER THE MANAGEMENT (FROM WHOM BECO WAS TAKEN-OVER) WAS SENT A VERBAL MESSAGE, THREATENING THEM WITH DIRE CONSEQUENCES IF THEY DID NOT ABSTAIN FROM LITIGATING THEIR GREVIANCES AGAINST THE MANAGEMENT INSTALLED, BY THE PAKISTAN GOVERNMENT.**

Thereafter, Mr. C.M.Latif abandoned all efforts to approach the Government, that they were proceeding in the wrong direction with their present economic policies, by saying that:

“IT IS GOOD NEITHER TO BE THEIR FRIEND NOR THEIR ENEMY”.

In the later part of the year 1973, Bhutto's Government went back on its words and proceeded to grab other private properties of the citizens.

The shares of the originally taken-over industries were also nationalized through the Ordinance dated 31st August, 1973, reproduced on the next pages.

LT TELEGRAM

MR. J. A. RAHIM
MINISTER OF PRODUCTION AND
CHAIRMAN INDUSTRIAL MANAGEMENT BOARD,
GOVERNMENT OF PAKISTAN,
ISLAMABAD.

KINDLY REFER TO BECO INDUSTRIES LTD. SHAREHOLDERS MEETING HELD ON 26TH DECEMBER, 1972 AND 2ND JANUARY, 1973 UNDER CHAIRMANSHIP OF B. Z. KAIKAUS RETIRED JUDGE, SUPREME COURT FOR CONSIDERATION OF DIRECTOR REPORT BALANCE SHEET AND AUDITORS REPORT ENDING PERIOD JUNE 1971 STOP DIRECTOR REPORT WAS REJECTED BY OVERWHELMING MAJORITY OF SHAREHOLDERS STOP MR. AFZAL, MEMBER, INDUSTRIAL MANAGEMENT BOARD WHO ATTENDED THE MEETING ON PAKISTAN GOVERNMENT BEHALF GAVE AN UNDERTAKING IN THE MEETING THAT HE WILL REPORT TO PAKISTAN GOVERNMENT FOR CARRYING OUT AN INVESTIGATION INTO THE AFFAIRS OF THE COMPANY PARTICULARLY WITH REGARD TO THE DISAPPEARANCE OF 2000 TONS OF BILLETS ETC. RESULTING INTO THE REDUCTION OF PROFIT BY RUPEES TWO CRORES IN THE REVISED BALANCE SHEET DATED 10TH JULY, 1972. AS COMPARED TO THE BALANCE SHEETS DATED 13TH MARCH, 1972 PERTAINING TO YEAR ENDING 30TH JUNE, 1971, BOTH THESE BALANCE SHEETS WERE GOT PREPARED BY THE PRESENT MANAGING DIRECTOR STOP SHAREHOLDERS ARE MUCH PERTURBED BY THE STATE OF AFFAIRS AS PREVAILING IN MANAGING OF THE BECO INDUSTRIES SINCE -TAKEOVER STOP LARGE NUMBER OF WIDOWS, ORPHANS, RETIRED GOVERNMENT SERVANTS & THOUSANDS OF SMALL SHAREHOLDERS HAS INVESTED THEIR LIFE SAVINGS AND ARE DEPENDENT ON BECO DIVIDENDS FOR THEIR LIVELIHOOD STOP HOPE THAT YOUR HONOR WILL ISSUE IMMEDIATE ORDERS FOR INVESTIGATION BY CENTRAL BOARD OF REVENUE GOVERNMENT OF PAKISTAN STOP REQUEST PERSONAL INTERVIEW YOUR CONVENIENCE FOR A DEPUTATION OF SMALL SHAREHOLDERS.

LAL DIN MALIK,
F-315 MOHALLAH KAKEZIAN

(Not to be telegraphed)
Dated : 18-1-1973
Time : 19.00 Hours

(Lal Din Malik)
F-315, Mohallah Kakezian.
Lahore.

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Ordinance for Nationalization of Taken Over Industries Shares

ORDINANCE XVIII OF 1973
ECONOMIC REFORMS (AMENDMENT) ORDINANCE, 1973
An Ordinance further to amend the Economic Reforms Order, 1972
 [Gazette of Pakistan, Extraordinary, Part I, 31st August 1973]
 No. P. 24(11/73)-P-66.—The following Ordinance made by the President on the 31st August 1973, is hereby published for general information:—
 Whereas it is expedient further to amend the Economic Reforms Order, 1972 (P. O. No. 1 of 1972), for the purpose hereinafter appearing ;
 And whereas the National Assembly is not in session and the President is satisfied that circumstances exist which render it necessary to take immediate action ;
 Now, therefore, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to make and promulgate the following Ordinance :—

7-B. Power to acquire shares or business of an establishment.—(1) The

ECONOMIC REFORMS (AMEND.) ORDINANCE, 1973 [P. L. O.]
 Federal Government may, if it considers necessary in the public interest to do so, by an order,—

- (a) in the case of an establishment which is a company or an establishment owned by a company,—
 - (i) acquire the entire shares held in the company by the sponsor and directors of the previous management thereof, the family members of such sponsors and directors and the associated undertakings and managing agents of the company at the time at which a Managing Director was appointed in respect thereof and the whole or a portion of the shares from all or any of the share-holders of such company and, as from the date of such order, the shares so acquired shall vest in the Federal Government ; or
 - (ii) acquire the whole or a portion of the proprietary interests of such company in such establishments and, as from the date of such order, the interests so acquired shall vest in the Federal Government ; and
- (b) in the case of an establishment owned by a person, acquire the whole or a portion of the proprietary interests of such person and as from the date of such order, the interests so acquired shall vest in the Federal Government ;

Provided that no order shall be made under this Article for the acquisition of the shares held in an establishment by a foreign investor or an institution owned, managed or controlled by the Federal Government:

Provided further that in the case of an establishment which is a company or an establishment owned by a company, the Federal Government may, by notification in the official Gazette, exempt from acquisition shareholdings of any shareholder up to such maximum amount as may be specified in the notification.

Explanation.—In this clause,—

- (a) "associated undertakings" has the same meaning as in the Monopolies and Restrictive Trade Practices (Control and Prevention) Ordinance, 1970 (V of 1970);
 - (b) "family members", in relation to a sponsor or director, means the spouse, legal ascendants and descendants and brothers and sisters of the sponsor or director ; and
 - (c) "previous management", in relation to a company, means a person, body or managing agency in whom the management of the company vested immediately before the appointment of a Managing Director in respect of such company or of the establishment owned by it.
- (2) Where the Federal Government makes an order under clause (1) in respect of the shares of any company, no dealings or business relating to such shares shall be transacted on any stock exchange for a period of ninety days from the date of such order.

7-C. Acquisition of shares.—Where, under Article 7-B, the Federal Government acquires the whole or a portion of the shares of the share-holders of any company or of the proprietary interests of a company or other person in an establishment, the Federal Government shall, within a period of ninety days, pay such compensation as may be determined by it on the basis of the principles set out in the Second Schedule."

7-D. Re-organization of establishment.—(1) Where, in respect of any managed establishment which is a company or an establishment owned by a company, the Federal Government holds or has acquired the whole or

For Members only

THE KARACHI STOCK EXCHANGE LIMITED
 (Limited by Guarantee)

No. KSE/N-1868 December 7, 1973.

NOTICE TO MEMBERS

S. No.	Name of Company	Exemption Limit (Shares)	Acquired by Government (%)	Holding of Financial Institution (%)	Total Holding of Government (%)
1.	Metropolitan Steel Corps. Ltd.	5,000	47.51	28.37	75.88
2.	Pakistan Engineering Co. Ltd.	5,000	24.12	32.40	56.15
3.	Northern Foundry & Engineering Works Limited	-	28.50	34.53	66.03
4.	Quality Steel Works Limited	5,000	35.10	27.24	62.34
5.	Northern Engineering Company Limited	2,000	30.18	15.93	54.17
6.	Pakistan PVC Ltd.	5,000	55.04	30.05	87.09
7.	Sind Alkali Limited	2,000	33.40	21.75	55.15
8.	Synthetic Chemicals Company Limited	400	46.96	0.51	55.27
9.	Rawi Rayon Limited	1,000	43.70	11.66	55.44
10.	Gharial Cement	1,000	40.09	24.52	64.61
11.	Javedan Cement Ltd.	5,000	39.21	14.73	54.44
12.	Musatekhan Cement Ltd.	5,000	65.44	1.52	64.76
13.	National Motors Ltd.	5,000	13.52	44.20	57.72
14.	Nillat Tractors Ltd.	2,000	29.97	27.82	57.79
15.	National Refinery Ltd.	2,500	29.83	25.09	54.92
16.	Karachi Gas Co. Ltd.	5,000	11.59	79.43	97.02
17.	Balton Electric Supply Co. Limited	2,500	43.78	11.31	55.09
18.	Rawalpindi Electric Power Co. Ltd.	4,000	12.18	41.66	53.64

Note: Since the above information has been obtained over the telephone from the Board of Industrial Management, errors and omissions, if any, may, therefore, be excused.

(M. I. CHAUDHRY)
Secretary

In this para it also becomes clear that foreigners were given privileges over the citizens of the country. This is still being followed as a national policy from the year 1973 onwards.

The shares nationalized and the quantity which could be kept is evident from a circular of the Karachi Stock Exchange, dated 7th Dec, 1973, reproduced above. BECO's limit is mentioned under S.No: 2 (Pakistan Engineering Co. Ltd, being the new name given to this Company, after being taken-over).

Remarks on Some Clauses

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a majority portion of the shares in the company carrying the controlling voting rights, or where the Federal Government has acquired the whole or a controlling portion of the proprietary interests it may at any time re-organize such establishment with a view to increasing its efficiency and rationalising its operation.

(2) The re-organization may include provision for amalgamation of a managed establishment with other such establishments or with undertakings owned or managed by the Federal Government or by a corporation set up under the authority of the Government and, in the case of establishments which are companies or establishments owned by companies, may provide for the reconstruction of any such company or companies, or amalgamation of any such two or more companies and for all or any of the matters contained in section 153 or section 153-B of the Companies Act, 1913 (VII of 1913), or for alteration of share capital or loan structure and alteration of existing, or adoption of fresh, articles of association of such companies.

(3) The re-organisation shall be implemented and take effect in such manner and at such time as the Federal Government may, by notification in the official Gazette, specify.

Explanation.—For the purposes of this Article and Article 7-E, the Federal Government shall be deemed, to have a majority portion of the shares in a company carrying controlling voting rights or the controlling proprietary interests in an establishment if the aggregate face value of the shares or proprietary interests in such establishment owned by the Federal Government and by an institution owned or controlled by the Federal Government exceeds 50% of the total voting rights in the issued and paid-up share capital of the company or 50% of the proprietary interests of that establishment.

7-E. *Vesting of management, etc., acquired by Federal Government in a corporation.*—(1) Where the Federal Government acquires the whole or a majority portion of the shares or proprietary interests of a company or other person under Article 7-B, the Federal Government may transfer the management of, and such shares or proprietary interests in, such establishment to any corporation wholly owned or controlled by the Federal Government or a corporation to be set up for the purpose.

(2) A corporation to which the management of, or shares or proprietary interests in, an establishment is or are transferred under clause (1) shall, in the exercise of its powers and performance of its functions, be subject to the general supervision and control of such Board or other authority the Federal Government may set up for the purpose."

7. *Amendment of Article 9, P. O. No. 1 of 1972.*—In the said Order, in Article 9, after the word "thereunder" at the end, the words, figures and brackets " or for any inadvertent failure to comply with any of the provisions of the Companies Act, 1913 (VII of 1913) shall be added.

8. *Amendment of Article 12, P. O. No. 1 of 1972.*—In the said Order, Article 12, in clause (2),—

(a) in paragraph (i), the word "and" at the end shall be omitted;

(b) in paragraph (j), for the full-stop at the end and the semi-colon and word "and" shall be substituted ; and

Remarks on some of the above clauses:

7D (1,2,3) continuing from page 229, speaks about the provision of re-organization to increase the efficiency of the taken-over industries and under it amalgamation with any other Government undertakings.

Looking back from year 2005, at these clauses, it is very clear from the balance-sheets of the company, after its shares were nationalized, that, the subsequent Governments started to violate it under the pretext of re-organization. They started to sell capital assets (stripping a Company of its assets) to meet running expenses and when nothing else was left to sell, to liquidate the company. In case of BECO this information is available and will be reproduced in later pages.

7E & explanation, lays down the condition how the Federal Government has the majority of shares to run the taken-over industries, that is, to include the shares being held by institutions owned or controlled by the Federal

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FINANCE (SUPPLEMENTARY) ORDINANCE, 1973

[P. L. D.]

(c) after paragraph (j) amended as aforesaid, the following new paragraphs shall be added, namely :—

"(k) the procedure and manner of acquiring shares and proprietary interests in establishments and payment of compensation therefor and re-organisation of managed establishments ; and

(l) in the case of an establishment which is a company, the calling of meetings of the shareholders of the company and the conduct of its affairs."

9. *Amendment of the Schedule, P. O. No. 1 of 1972.*—In said Order, in the Schedule, for the words "the Schedule" the words "First Schedule" shall be substituted.

10. *Addition of new Schedule, P. O. No. 1 of 1972.*—In the said Order, after the First Schedule amended as aforesaid, the following new Schedule shall be added, namely :—

"SECOND SCHEDULE

Principles and the manner for payment of compensation in respect of the shares or proprietary interests of an establishment acquired by the Federal Government.

1. Where the whole or a portion of the shares of such an establishment is acquired by the Federal Government, the value of the compensation for the shares so acquired shall be assessed—

(a) in the case of shares not quoted on any of the stock exchanges, at the Break Up Value ; and

(b) in the case of shares quoted on any of the stock exchanges, at the Break Up Value or the Market value, whichever is less.

2. Where the whole or a portion of the proprietary interests in such an establishment is acquired by the Federal Government, the value of the compensation for the interests so acquired shall be assessed—

(a) in the case of an establishment which has been in commercial production for less than 5 years, at the Net Worth Value of the proprietary interests of such establishment ; and

(b) in the case of an establishment which has been in commercial production for more than 5 years, at the Net Worth Value or the Times Value of the proprietary interests, whichever is less, of such an establishment.

3. The compensation payable in accordance with the principles indicated above shall be paid by the Federal Government, in cash or in the form of Government Industrial Bonds redeemable at any time at the option of the Federal Government carrying a rate of interest one per cent above the bank rate as notified by the State Bank of Pakistan from time to time. The bonds shall not be transferable or be eligible for hypothecation except in accordance with such rules as may be made by the Federal Government in this behalf.

4. *Definitions.*—In this Schedule,—

(a) "Break Up Value" shall mean the value of the shares of a company as determined by the auditors of such company on the basis of its latest audited annual Balance Sheet, in accordance with clause (c) of rule 8 of the Wealth-tax Rules ;

Government. Here again the subsequent Government violated, as in the year 2003, it looked the other way, while NIT sold its share of BECO's holdings through the Stock Exchange.

Both the above positions are being contested in the Lahore, High Courts and information about their contents will be reproduced in later pages.

SECOND SCHEDULE

Under this clause the Government lays down how compensation will be paid to the persons whose shares have been nationalized. In the case of BECO, it was under clause 1(b), meaning the market value was paid, with certificates having a redemption date of 10 years. THE TRUE WORTH OF THE COMPANY WAS THE BREAK-UP VALUE, at least 3 times more, but the market value being 1 ½ times less was paid as per the then Pakistan Governments unilateral desire.

Zia - Latif Meeting, 1978

Bhutto's Government was overthrown in June, 1977 by the Pakistan Army Chief, General Zia-ul-Haq, who became the new President of the country.

In January 1978 a meeting was arranged on the invitation of President Zia-ul-Haq, between him and Mr .C.M.Latif in Lahore, where Governor Sawar Khan was also present.

The basic summary of this meeting, as narrated by Mr.Latif at the time and as memory supports it now in the year 2005 is as follows:

- President Zia-ul-Haq asked Mr.Latif: “ Can you run/revive this company (meaning BECO) for us”
- Mr.Latif replied: “ Yes I can certainly revive the company, if all the industries taken-over or nationalized by the Bhutto Government are returned and his policies are reversed”
- President Zia-ul-Haq remarked: “ Ghulam Ishaq Khan (the Finance Minister) says, if Bhutto's policies are reversed then from where will the Government get its taxes ?”
- Mr.Latif replied: “ You can look up the record, as taxes were paid by these companies even before Bhutto's policies, so they would be paid even now, as before”

Looking back at time from the year 2005, it becomes very clear that taxes paid after nationalization were gradually reduced to a small fraction, inflation adjusted, to what they were being paid before it. Therefore Mr. Ghulam Ishaq Khan had not done his homework while advising President Zia-ul-Haq on the subject or **had the same frame of mind regarding nationalization as that of Bhutto.**

From what followed it appears Mr. Zia-ul-Haq took Mr. Latif's advice seriously, as an amendment to the Economic Reforms Order of 1972/73 was issued on 16th Sept, 1978, as President's Order 12 of 1978. Scanned extracts are reproduced below:

PRESIDENT'S ORDER 12 OF 1978 TRANSFER OF MANAGED ESTABLISHMENTS ORDER, 1978

[Gazette of Pakistan, Extraordinary, Part I, 16th September 1978]

No. F. 24 (2)/78-Pub.—The following Order made by the President on the 10th September 1978 is hereby published for general information :—

In pursuance of the Proclamation of the fifth day of July 1977, read with the Laws (Continuance in Force) Order, 1977 (C. M. L. A. Order No. 1 of 1977), and in exercise of all powers enabling him in that behalf, the President is pleased to make the following Order :—

1. *Short title extent and commencement.*—(1) This Order may be called the Transfer of Managed Establishments Order, 1978.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. *Interpretation.*—Words and expression used in this Order shall, unless there is anything repugnant in the subject or context, have the same meaning as in the Economic Reforms Order, 1972 (P. O. No. 1 of 1972), hereinafter referred to as the said Order.

3. *Order to override other laws.*—This Order shall have effect notwithstanding, anything contained in any other law for the time being in force or in any agreement, contract, memorandum or articles.

4. *Transfer of shares and proprietary interests.*—(1) The Federal Government may, if it considers necessary in the national interest so to do, through a public notice offer to transfer the shares or proprietary interests in respect of a managed establishment acquired by it under Article 7-B of the said Order, to the persons specified, and on the terms set out, in the Schedule.

(2) If the offer made under clause (1) is not accepted by any person within a period of twenty-one days, the Federal Government may retain the shares or proprietary interests offered to such person or dispose of them in any manner

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It may deem fit and such person shall have no right whatsoever in respect of such shares or proprietary interests.

(3) Upon the acceptance of the offer to transfer proprietary interests in the case of a managed establishment which is not a company, the Federal Government shall transfer the proprietary interests to the company or other person from whom the proprietary interests were acquired under Article 7-B of the said Order.

(4) Upon the acceptance of the offer to transfer shares in a managed establishment which is a company or an establishment owned by a company, the Federal Government shall transfer the shares acquired by it

under Article 7-B of the said Order in the names of the persons who have accepted the offer and the said transfer shall be recorded in the register of members of the company.

5. *Election of Board of Directors.*—Within sixty days of the issue of a public notice under clause (1) of Article 4 in respect of a managed establishment which is a company, an extraordinary general meeting of the company shall be held for purposes of electing the Board of Directors of the company in accordance with the Companies (Managing Agency and Election of Directors) Order, 1972 (P. O. No. 2 of 1972).

6. *Transfer of management.*—(1) Upon the election of the Board of Directors under Article 5 in the case of a managed establishment which is a company, and upon the transfer of proprietary interests under clause (3) of Article 4 in the case of a managed establishment which is not a company, the Federal Government shall cancel the orders made by it under clause (1) of Article 4 and clause (1) of Article 7-E of the said Order in respect of the managed establishment.

(2) Upon the issue of an order under clause (1) in respect of a managed establishment, the administration of the affairs of the establishment shall, subject to the rules made under this Order, stand transferred—

(a) to the Board of Directors, in the case of an establishment which is a company ;

(b) to the company in the case of an establishment owned by a company ; and

(c) to the person or body in whom the management of the establishment vested immediately before the appointment of a Managing Director in respect thereof, in the case of any other establishment.

(3) Where the Federal Government cancels, in pursuance of clause (1), an order made by it under clause (1) of Article 7-E of the said Order in respect of a managed establishment which is a company, the Federal Government may, by order, make such provision for the adjustment or reduction of the share capital of the corporation to which the order under the said clause (1) of Article 7-E relates as it may deem fit.

7. *Audit.*—(1) The Federal Government may at any time appoint one or more firms of auditors for carrying out a special audit of any establishment with such terms of reference as the Federal Government may determine.

(2) The remuneration to be paid to the auditors appointed under clause (1) shall be paid by the establishment.

(3) If, after a firm of auditors has been appointed under clause (1) in respect of a managed establishment, an order is issued under clause (1) of Article 6 in respect of that managed establishment and the audit of the said

Amendment to the Economic Reforms Order continued:-

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managed establishment is still in progress, the firm of auditors shall continue the work of audit until it is complete and the report submitted by the firm has been accepted by the Federal Government.

(4) The audited accounts prepared in pursuance of clause (1) and accepted by the Federal Government shall not be challenged by the establishment or the shareholders or any other person and shall be accepted by them.

8. *Assumption of liabilities.*—(1) Where the Federal Government issues an order under clause (1) of Article 6 in respect of a managed establishment, the Federal Government may assume such of the liabilities of the managed establishment as the Federal Government may decide, not exceeding the net loss incurred between a date to be specified by the Federal Government, hereinafter referred to as the specified date, and the date on which an order under clause (1) of Article 6 is issued in respect of the managed establishment, hereinafter referred to as the transfer date.

Explanation.—“Net Loss” means the total amount of losses incurred between the specified date and the transfer date as determined in pursuance of the audit carried out under Article 7 and as reduced by (a) increase in reserves, retained earnings and unappropriated profits, if any, and (b) the loss which was incurred by the managed establishment on its operations and assets relating to the territories which, immediately before the sixteenth day of December 1971, constituted the Province of East Pakistan and was written off after the issuance of an order under clause (1) of Article 4 of the said Order.

(2) The amount of the liabilities assumed by the Federal Government in pursuance of clause (1) shall, for the purposes of the Income-tax Act, 1922 (XI of 1922), be deemed to be income from business of the establishment received during the accounting year in which such liabilities are so assumed; and such amount shall be adjusted in the accounts of the establishment, notwithstanding the issuance of an order under clause (1) of Article 6 in respect of the establishment.

9. *No claim of compensation.*—No establishment, and no shareholder of an establishment shall make any claim of any sort nor a claim for compensation of any nature whatsoever against the Federal Government or a corporation set up by the Federal Government or against any officer of the Federal Government or of such corporation, after an order under clause (1) of Article 6 has been issued in respect of that establishment.

10. *Employees to continue in service.*—All persons employed in, by or for the purpose of business of an establishment in respect of which an order under clause (1) of Article 6 is issued shall continue in such employment on the same terms and conditions as were applicable to them immediately before the issue of such order.

11. *Contracts and agreements to continue.*—All contracts and agreements made by an establishment in respect of which an order is issued under clause (1) of Article 6 which may be subsisting immediately before the issue of such order shall continue to be of full force and effect against or in favour of the establishment and may be enforced or acted upon accordingly.

12. *Removal of difficulties.*—If any difficulty arises in giving effect to any of the provisions of this Order, the Federal Government may make such order, not inconsistent with the provisions of this Order, as may appear to it to be necessary for the purpose of removing the difficulty.

Under this Ordinance two industries were only returned, namely, Ittefaq Ltd, Lahore & Karimi Industries Ltd, Nowshera.

BECO was never offered under these terms nor Mr. C.M.Latif pursued the Government to implement their Transfer of Managed Establishments Order 1978 in the case of BECO, until March, 1988, when President Zia-ul-Haq was invited to a garden party at Mr. C.M.Latif's residence in Lahore.

THE SCHEDULE

[See Article 4 (1)]

1. *Definitions.*—In this Schedule,—

(1) ‘rule’ means rule in the Economic Reforms (Acquisition and Compensation) Rules, 1973;

(2) ‘financial institution’ means a bank, a financing corporation, an insurance company or an investment institution;

(3) ‘Order’ means the Economic Reforms Order, 1972 (P. O. No. 1 of 1972).

2. *Persons to whom offer to be made.*—(1) Where the shares were acquired under Article 7-B of the Order from persons who also lodged them in pursuance of sub-rule (2) of rule 5, the shares shall be offered to such persons.

(2) Where the shares were acquired under Article 7-B of the Order from persons other than the persons who lodged them in pursuance of the provisions to sub-rule (6) of rule 5, the shares shall be offered to the persons who lodged them.

(3) Where the shares were acquired from persons under Article 7-B of the Order and the shares were lodged, in pursuance of the provisions to sub-rule (6) of rule 5, by a financial institution which, at the time the order of acquisition was made under the said Article, was holding the shares in safe custody or as security against loans or advances, the offer shall be made to the financial institution and, for the purpose of acceptance of the offer, shall be deemed to be an offer made to the persons from whom the shares were acquired under the said Article:

Provided that the acceptance of the offer by the persons shall be considered valid only if such acceptance is accompanied by a valid authorization in writing from the financial institution, in which case the shares certificates shall be handed over to the financial institution together with the valid transfer deeds and the financial institution shall hold a lien on the shares till such time as the lien is relinquished by the financial institution.

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(4) Where the proprietary interests of a managed establishment owned by a company were acquired under Article 7-B of the Order, the offer shall be made to the company which owned the establishment immediately before such acquisition.

(5) The offer of shares or proprietary interests to a person shall also be deemed to be an offer to the successor-in-interest, authorised representative, executor, administrator or heirs of such person.

3. *Terms of transfer.*—(1) In case of shares or proprietary interests of a managed establishment which has incurred a net loss from the time a Managing Director was appointed under clause (1) of Article 4 of the Order, the shares offered to be transferred shall be offered on the following terms, namely:—

(a) Where compensation has been paid under Article 7-C of the Order, upon receipt of an amount in cash or in the form of Government Bonds, or partly in cash and partly in such Bonds, equivalent in value to the compensation paid, in the manner to be determined by the Federal Government, and

(b) Where compensation was due and has not been paid, on acceptance of the offer in the following manner, namely:—

(i) where Certificates of Entitlement to Compensation have been issued but the same have not been converted into Government Bonds, upon the surrender of such Certificates in favour of the Federal Government; and

(ii) where the Certificates of Entitlement to Compensation have not been issued, upon the surrender of the right to such Certificates in favour of the Federal Government:

Provided that interest shall be payable by the Federal Government, in the manner to be determined by it, on the amount of compensation which was due but was not paid, at the same rate and for the same period as would have been payable had Government Bonds been issued:

Provided further that interest shall be payable up to the date on which an order under clause (1) of Article 4 is issued in respect of the establishment.

(2) In case of shares or proprietary interests of a managed establishment other than those covered by sub-paragraph (1), the shares or proprietary interests offered to be transferred shall be offered on the following terms, namely:—

(a) in the case of shares not quoted on any stock-exchange, at the Break Up Value;

(b) in the case of shares quoted on any of the stock exchanges, at the Market Value or the Break Up Value, whichever is higher; and

(c) in the case of proprietary interests, at the Net Worth Value.

Explanation.—(i) ‘Break Up Value’ shall have the same meaning as in the Order;

(ii) ‘Market Value’ shall mean the average value of the shares of a company as quoted on the Karachi Stock Exchange on closing on the six working days prior to the date of the issuance of the public notice under clause (1) of Article 4; and

The Three Brothers After Beco Take-Over

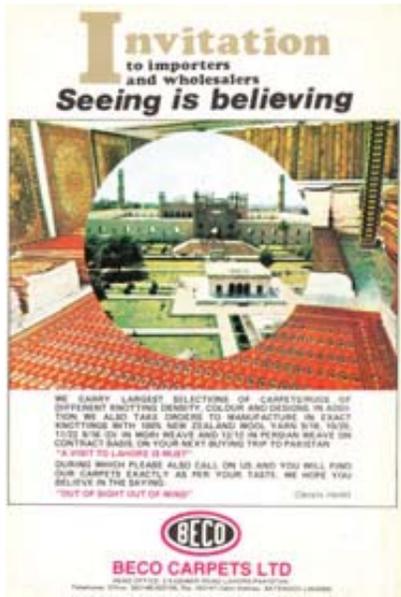
Before proceeding further, a summary of information is given below regarding the three Beco brothers during the period 1970's, 80's and 90's, after they lost their company to the Government of Pakistan, in the year 1972.

(1) Mr. Sharif Choudri (eldest) died on 9th December, 1972 and his family continued their activities in the field of agriculture.

(2) Mr. Choudri Mohammad Latif (C.M.Latif), along with family members started again in 1972 the scrap business of iron & steel under the name of BECO Agencies (Pvt) Ltd which he did in the year 1932-33, at the time when BECO was being conceived.



Then in 1973 he floated another private company by the name of Beco Carpets (Pvt) Ltd, for export of hand knotted oriental carpets. He used to call himself as the sales man for BECO CARPETS, because technically speaking this product was not his traditional line of expertise. He was a mechanical engineer by profession, but only due to Pakistan Government's policies and twist of nature he could not utilize himself in his chosen profession any more. He continued with these ventures actively in the 1970's and 80's.

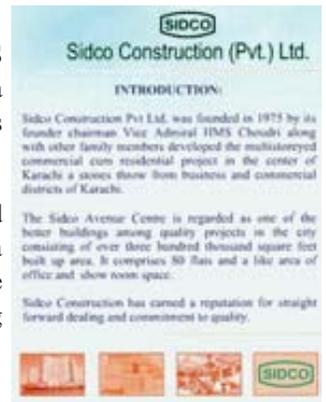


While going into the 1990's Mr.Latif continued his hobby of horticulture, which he had taken to very much in the 80's, while winning prizes every year in the Lahore annual flower shows.

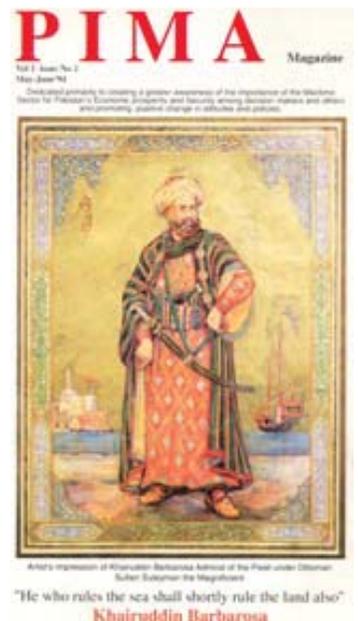


(3) Vice Admiral (ret) HMS Choudri, started a construction firm, details, as per picture on the right.

He also started publishing in early 1990's a magazine under the name PIMA, while holding seminars under its banner.



Before PIMA, in the 1980's FDMR was formed for the same purpose. Some scanned images reproduced below.



The 1988 Memorable Garden Party

THE GARDEN PARTY WAS REPORTED IN ALL THE LOCAL DAILY NEWSPAPERS.
BELOW IS ONE OF THE EXTRACTS

Zia witnesses flower exhibition in City

BY OUR SPECIAL
CORRESPONDENT

LAHORE, March 29: President Gen. Muhammad Zia-ul-Haq today witnessed the spring flowers exhibition at the residence of Mr. C.M. Latif, a prominent industrialist of the country, here this evening.

The President briefly addressed the gathering. He regretted that he could not reach Lahore in time because of his important pre-occupations in the Federal Capital.

The President freely mixed with the members of C.M. Latif's family and other ladies and gents present on this occasion. Gen. Zia-ul-Haq also met Mrs. Tara Bhatnagari, the wife of Shri Devi Das Gandhi, the youngest grandson of the late Karanchand Mohandas Gandhi, a prominent leader of the Indian Congress Party. He exchanged views with her and said: "I hope you would enjoy your stay in Pakistan. The people here are very good and are very hospitable". Mrs. Tara was accompanied by her friend.

The President also offered Maghrib prayers at Mr. C.M. Latif's residence. The prayer was led by Pir Muhammad Ashraf, Adviser to the Prime Minister for Religious Affairs. After the prayers, the President spent quite some time with Mr. C.M. Latif's family. The Punjab Governor, Makhdoom Sajjad Hussain Qureshi, and the Chief Minister, Mr. Nawaz Sharif, were also present.



At this occasion Mr. C.M. Latif had a short meeting with the President and raised the issue of BECO's return to the original management. The President acknowledged and promised to expedite the matter for an early return of the Beco industry on the same pattern as Ittefaq was returned and in accordance with his 1978 Ordinance. But the hand of fate played its part again, as the President was assassinated on 17th August, 1988 and his promise remained unfulfilled. (Some memorable pictures at Bottom)

Subsequently the Transfer of Management Order 12 of 1978 was amended by the incoming Governments to the detriment of the original owners of all the nationalized industries and the new procedure adopted was to put on sale these units through open bidding and the highest bid to be accepted provided if the original owners refused to match the same.



Mr. C.M. Latif is standing behind President Zia-ul-Haq and H.M.S. Choudri is on the extreme right side. Mrs. Tara Bhattachari is standing between the President and Mr. H.M.S. Choudri.



President Zia Talking to (R to L): H.M.S. Choudri, Latif's daughter, Mrs. Nighat Waheed and Mr. C.M. Latif.

The Two Great Garden Parties

Two More Pictures of President Zia's visit to the 1988 Garden Party



Mr. C.M.Latif Talking to President Zia.



President Zia conversing with H.M.S.Choudri.

Some Pictures of the 1989 Garden Party With Punjab's Chief Minister Nawaz Sharif as the Chief Guest



Mr. Nawaz Sharif Being Received by C.M.Latif.



Nawaz Sharif Being Greeted by Ch. Abdul Karim, While C.M.Latif and H.M.S.Choudri are Standing on the Right Side.



Nawaz Sharif in Conversation With C.M.Latif & H.M.S.Choudri.



C.M.Latif Flanked by Wasim Sajjad and Nawaz Sharif.

BECO Shares' Sale Advertised Under PECO Name

This advertisement appeared in all the daily newspapers of Pakistan dated 7th Oct, 1991 (one reproduced below is from The News, Lahore)
THIS IS THE FIRST TIME BECO/ (under the name PAKISTAN ENGINEERING COMPANY LTD) **PECO SHARES WERE OFFERED FOR SALE**, under the amended rules of the Transfer of Management Ordinance, 1978.
 At that time country was ruled by Mr. Nawaz Sharif's Government.

PRIVATISATION OF STATE OWNED ENTERPRISES

BIDDING DOCUMENTS ARE AVAILABLE FOR SALE FROM PRIVATISATION COMMISSION, EXPERTS ADVISORY CELL BUILDING, 5-A, CONSTITUTION AVENUE, ISLAMABAD. TELEPHONE: 823881-818275

Privatisation Commission, Government of Pakistan invites interested individuals, Groups, Companies, Corporations and Firms in the private sector to submit bids for purchase of shares/net assets along with the transfer of management of the following units:-

AUTOMOBILES

BALUCHISTAN WHEELS LTD.
 BELLA ENGINEERING LTD.
 REPUBLIC MOTORS LTD.
 BOLAN CASTINGS LTD.
 NATIONAL MOTORS LTD.
 NAWA DAUR MOTORS (PVT) LTD.
 MILLAT TRACTORS

CEMENT

FOHR ASSOCIATED CEMENT
 DANODOT CEMENT COMPANY LTD.
 GENERAL REFRACTORIES LTD.
 NATIONAL CEMENT LTD.
 JAVEDAN CEMENT LTD.
 KGHAT CEMENT COMPANY LTD.
 WAH ASSOCIATED CEMENT
 ZEAL PAK CEMENT
 D.G. KHAN CEMENT LTD.
 GHAFIRVAL CEMENT LTD.
 MAPLE LEAF CEMENT
 MUSTEHKAM CEMENT
 PAK CEMENT LTD.
 WHITE CEMENT LTD.
 Thatta Cement

CHEMICALS & CERAMICS

SHAT CERAMICS
 NOWSHERA CHEMICALS
 ANTISODIC (PVT) LTD.
 KURFAM CHEMICALS COMPANY
 SHAT ILLUTRATION PLANT
 SIND ALKALIS LTD.
 ITTEHAD CHEMICALS
 ITTEHAD PESTICIDES
 NOWSHERA PVC COMPANY LTD.
 PAKSTAN PVC LTD.
 NATIONAL FIBRES
 THATTA CEMENT
ENGINEERING
 KARACHI PIPE LTD.
 PIONEER STEEL MILLS LTD.
 QUALITY STEEL WORKS LTD.

SPINNING MACHINERY

TEXTILE MACHINERY
 METROPOLITAN STEEL LTD
 PAKISTAN ENGINEERING COMPANY LTD.
 PAKISTAN SWITCHGEAR LTD.
 INDUS PIPE MILLS.

FERTILIZERS

PAK CHINA FERTILIZER
 HAZARA PHOSPHATE FERTILIZERS LTD.
 LYALLPUR CHEMICALS & FERTILIZERS
 NATIONAL FERTILIZER MARKETING COMPANY LTD.
 PAK-SAUER FERTILIZER

GHEE

UNITED INDUSTRIES FAISALABAD
 KORNDOOL OIL MILLS LTD. KALASHAHKARI
 A & B INDUSTRIES, MULTAN
 A & B OIL INDUSTRIES, KARACHI
 BURMA OIL MILLS, KARACHI
 CHILTAN GHEE MILLS, QUETTA
 HYDARI INDUSTRIES, HYDERABAD
 BARA VEGETABLE GHEE MILLS, BARA
 DARGAI VEGETABLE OIL PROCESSING INDUSTRIES DARGAI
 ASIF INDUSTRIES (PVT) LTD. SHAKARPUR
 KAKARHIL INDUSTRIES, FAISALABAD
 MORAFOD INDUSTRIES, FAISALABAD
 SH. FAZAL, RISHWAN & SONS, MULTAN
 SURAJ GHEE, SHERKUPURA
 UNIVERSAL VEGETABLE GHEE AND RAW MILLS, SHERKUPURA
 SARGROH VEGETABLE GHEE & RAW MILLS, FAISALABAD
 BENGAL VEGETABLE GHEE MILLS, KARACHI
 MAGDOOL COMPANY, KARACHI
 WALI RAJ INDUSTRIES, HYDERABAD
 ASSOCIATED INDUSTRIES, NOWSHERA
 HARIPUR VEGETABLE OIL PROCESSING INDUSTRIES, HARIPUR
 E & M OIL MILLS LTD., KARACHI
 CRESCENT FACTORIES CHIHAWATNI

ROTI PLANTS

GULSHAN-E-IGBAL, KARACHI
 TAMUJIA, KARACHI
 KOHANGI, KARACHI
 SITE, KARACHI
 QUETTA
 HYDERABAD
 ZAHIRIAPUR
 MULTAN
 GULBERG, LAHORE
 BAGHSANPUR, LAHORE
 MULTAN ROAD, LAHORE
 RAW ROAD, LAHORE
 FAISALABAD (i)
 FAISALABAD (ii)
 ISLAMABAD
 PESHAWAR
 REGIONAL OFFICE, KARACHI
 HEAD OFFICE, LAHORE

MISCELLANEOUS

HARNA WOOLLEN
 LARKANA SUGAR MILLS
 SHAHAD KOT TEXTILE
 GUJANBAD WOOLLEN
 DIT FOREST
 NATIONAL PETROCARBON

RICE MILLS

CHALUKI, RICE MILLS (PMPCL)
 SHAKARPUR RICE MILLS (PMPCL)
 SHERKUPURA RICE MILLS (PMPCL)
 HARIZABAD RICE MILLS (PMPCL)
 MUGABPUR RICE MILLS (PMPCL)
 FAKAZABAD RICE MILLS (PMPCL)
 SHIRANWALI RICE MILLS (PMPCL)
 EMRABAD RICE MILLS (PMPCL)

In addition to the price for acquisition of shares/net assets of the project the successful bidder will also be required to make firm arrangements for the repayment of loans/borrowings, if any, due to the corporation concerned/government. An acceptable bank guarantee for repayment of principle and the interest on the loan/borrowing due to corporation/government should be furnished by the successful bidder. The amounts due to government/corporation together with interest thereon shall be payable in four equal half yearly instalments the first of which shall be due six months after the date of takeover by owners. The successful bidder will also be responsible to make firm arrangements for the replacement of the securities of the government/corporation acceptable to the lenders.

The successful bidder shall takeover the entire personnel under their management and their service stations shall continue to be dealt with in accordance with the relevant laws in force in Pakistan. Services of employees shall not be terminated for a minimum period of twelve months.

The previous owner/management of the company shall have the right of first refusal at the highest bid received provided the previous owner/management takes part in the bidding EXCEPT IN CASE WHERE THE EMPLOYEES HAVE MADE THE HIGHEST BID. If the said previous owner/management do not exercise the right in writing within three days of being made the offer the shares and the management will be transferred to the highest bidder. The previous owner/management in this context shall mean the persons specified in law.

Detailed terms and conditions and particulars of the assets properties offered are given in the "BID DOCUMENTS" which can be obtained from the project or the Privatisation Commission on payment of Rupees five thousand or equivalent in foreign currency through a bank draft in favour of Privatisation Commission payable at Islamabad, except in respect of Roti Plants for which the documents will be priced at Rupees one thousand only.

Offers in sealed envelopes suitably marked for each of the above unit should reach Privatisation Commission by Courier by 11:00 AM. Bids will be opened in the presence of available authorized representative of the bidders.

Each offer shall be accompanied by non-refundable processing fee in the amount of Rupees five thousand in respect of Roti Plants and Rupees ten thousand in respect of all other units on processing fee.

Each offer shall also be accompanied by Earnest Money in the amount of Rs. 1 million (Rupees one million) in the form of bank draft or equivalent in foreign currency in favour of Privatisation Commission payable at Islamabad, except in respect of Roti Plants for which the earnest money will be Rupees half million.

Interested parties are required to contact the Officer incharge of the plant on all working days between 9:00 A.M. to 4:00 P.M. for details and to arrange inspection of the privatized properties offered for sale.

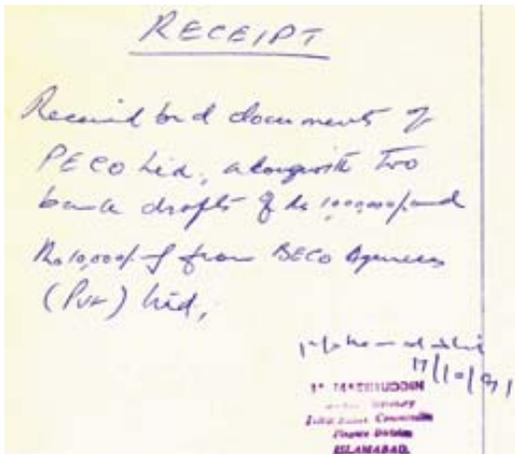
Preference will be given to those parties who offer lumpsum payment. Deferred payments may be offered in accordance with the instructions given in the relevant Bid Document for the shares/net assets offered for sale.

The Commission has the right to reject any or all offers whatsoever without assigning any reasons therefor.

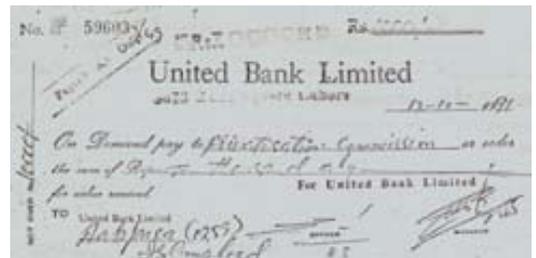
PRIVATISATION COMMISSION

EXPERTS ADVISORY CELL BUILDING,
 5-A CONSTITUTION AVENUE, ISLAMABAD.
 Tel: 823881/818274-Telax-5748 EAC PK, Fax-822108

The Original Management Submitted the Documents Through Mr. C.M.Latif as Required in the Advertisement Copies of which are reproduced below.

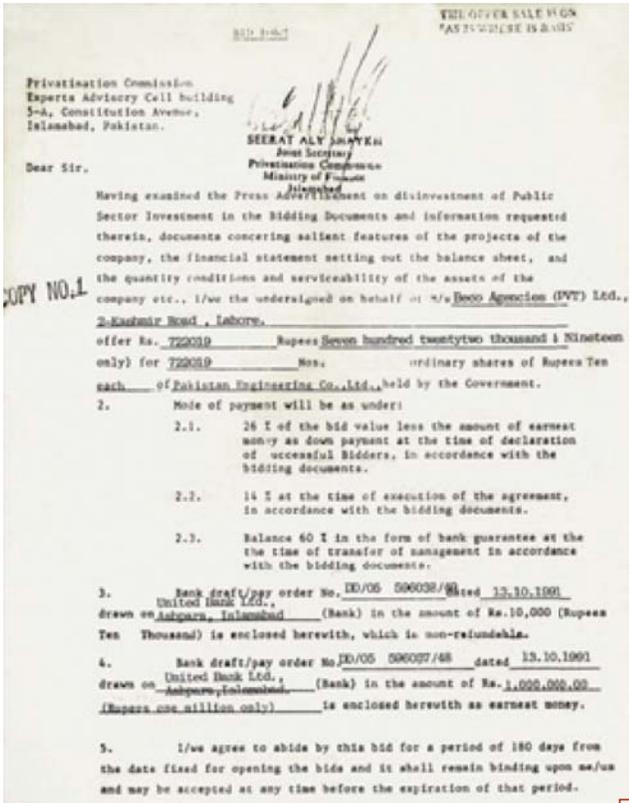


On the right are photo copies of the two cheques, copy of the receipt of which are reproduced on the left.



Law-Makers Violating the Law

Below is what was reported on 22nd Oct, 1991 by the daily NEWS.



The First Page of the Bidding Document.

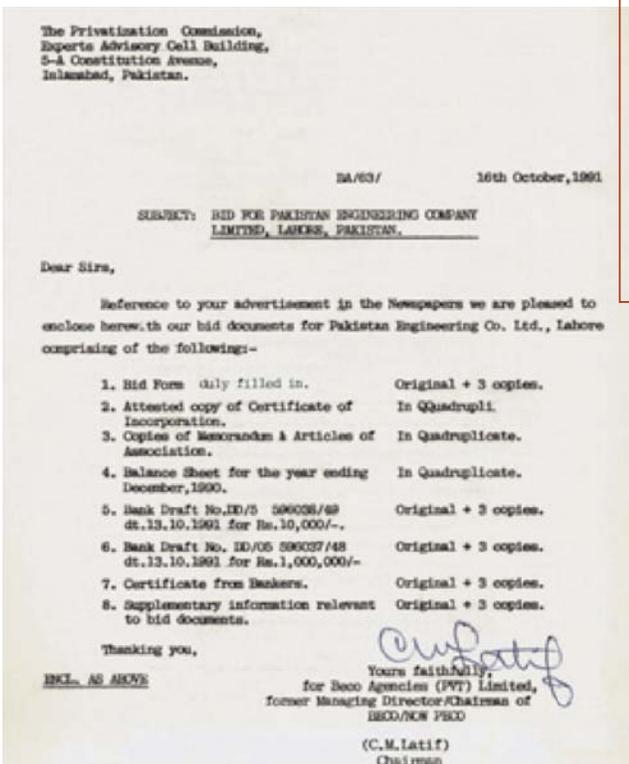


In the fourth paragraph of the above news item, one would read about the token price of Re 1/ per share offered by Mr. C.M.Latif, so as to enter the bidding process, because as per the requirement of the advertisement of Privatization Commission (see page 237), no minimum value was set for an opening bid, though the following was clearly stated in the advertisement relevant para reproduced below.

“The previous owner/management of the company shall have the right of first refusal at the highest bid received provided the previous owner/management takes part in the bidding”

Mr. C.M.Latif was never communicated back by the Commission the fate of his participation in the bidding process. Neither was he or the other bidders informed of the highest bid price which was offered by any bidder and if this price was rejected by the Commission, the grounds of the same. If a minimum reference price existed, it was also not disclosed.

What else could be called a violation of law by the law makers?



The Covering Letter From Mr. C.M.Latif.

Beco in Flames of A Manoeuvred Fire

While under nationalization, that is, under Pakistan Government's control, Designing Department/Photographic Section and their Record Rooms went up in flames in the year 1992, making it thereafter exceedingly difficult to compile this history.



It is reported that this manoeuvred fire was maliciously ignited after nationalization in the Product Designs and Photographic Records so that the pilfered designs copies could not be verified in due course of time with the originals at the Beco Library / Record Room.

Thousands of historical photographs, negatives and positives were lost forever along with product blue prints, wiping out existence of identities, like those usually carried out by invading alien armies. **The "Beco" was economically plundered, brutally raped and then murdered so mercilessly.**

**Designer at the Board:
Mr. Saeed Ahmed Ansari,
later becoming head of the department,
till Beco was taken-over
in the year 1972.**



Latif Informs the Government About Beco/Peco

On the next page is a scan of an advertisement which Mr. C.M.Latif had placed in all the dailies of Pakistan during late 87's and early 88's, informing the Government what was happening with BECO/PECO. **But none bothered.** This was so, even after the Privatisation Policy was actively announced by the Government in the early 1991's.

At the time various articles were also appearing in the newspapers. One of these, with details of BECO (then known as PECO) is reproduced below as it was close to what Mr.C.M.Latif had already disclosed earlier, through the press and through various pamphlets.

Front pages of three pamphlets are reproduced on the next page.

Privatisation, a scorched earth policy at PECO?

By R Saleem

There are strange combinations of forces in play with the big bucks now at stake in the government's vaunted Privatisation Programme. The churning of wheels-within-wheels that normally direct so much of our nation's collective motion seem to be spinning out a host of unanswered questions and unexplained motives. A study of the approach by the Privatisation Commission to the sale of PECO Ltd. and a look at the Company's recent performance will, it is hoped, focus on some of these questions and motives. Sadly the answers remain elusive.

Are the management and workers of PECO faced with the Company's privatisation, embarked on a scorched-earth policy? Bid documents released by the Privatisation Commission reveal that the once Premier Engineering Company has incurred an operating loss of Rs 87,570 million in fiscal 1991. This favours a Rs 33,684 million loss in fiscal 1990.

The effect of these losses have been to wipe out the Company's capital (Rs 56,902 million) and reserves (Rs 10,00 million), leaving the Company's net worth deficit position of Rs 53,707, with a break up value of Rs -9.43 per share. The Company has been kept afloat by borrowing to from government financial institutions and mortgaging everything it owns. Short term debt is over Rs 608 million. Long term debt and liabilities exceed Rs 308 million.

On June 30, 1991, the Company was not only technically bankrupt, it was also fatally short of working capital. Its current liabilities (Rs 886,747 million), exceeded current assets (Rs 818,418 million), by Rs 68,249 million. This is before taking into account cash more than Rs 27 million blocked by NDFC and an inventory of over Rs 200 million, that could not be verified by the auditors. If these adjustments are taken into account the working capital deficit further widens substantially.

Clearly the Company has no more borrowing capability and will be unable to keep operating in the future. Its very existence as a going-concern is in serious doubt.

Despite a very patchy profit performance the Company has been able to show a steady annual increase in net sales over the decade. On the eve of privatisation, sales (for fiscal 1991), precipitously dropped by 30% to Rs 586,816 million. Did the unverifiable inventory have anything to do with this?

This massive decline ought to have cut the Company's operating expenses proportionately. On the contrary, selling and distribution expenses (Rs 15,738 million) and General and Administrative expenses (Rs 40,713 million), were higher than the previous year's figures. Why, have losses of this magnitude been incurred in the two years that immediately preceded the hand over of the Company to the private sector? One theory: faced with the dismantling of the sinecure the management and workers (Government employees) have enjoyed for two decades and from which they received over Rs 140 million in emolument in 1990 alone, may have sharply accelerated their dismemberment of the Company to prevent it being bid for and passing into private hands.

Having emasculated the former BECO to this virtual nothingness over the two decades—it has been under the Government's stewardship—the Government has now put it on the block under the privatisation scheme.

The Privatisation Commission requires that bidders, in addition to paying for 51% of the Company's share capital (about Rs 67 million at current stock-market prices), to provide bank guarantees that back up the repayment, over two years, of about Rs 1 billion in loans to PECO from the government given the disastrous performance of the Company and the apparent poor state of its income producing assets—finding anyone who hopes to revive the Company after committing over a

billion rupees—none of which will remain in the Company—is nothing short of a pipe-dream. The only bidders will be those who have only one aim—to strip the Company of its assets.

By insisting upon loans due to it to be repaid rather than allowing a privatised PECO to have a normal leverage ratio, the Government is going beyond merely denationalising: it is capitalising a Company before handing it back to the private sector, instead of injecting capital and helping in its revival.

PECO LTD.

Five years at a glance
(Rupees in millions)

1987	1988	1989	1990	1991	
Sales	907.09	5700.501	802.055	837.033	589.816
Gross Profit	121.134	134.078	151.113	130.502	72.550
Gross Profit Ratio%	19.54	19.14	18.84	15.63	12.35
Net Profit (Loss)	29.625	22.687	10.378	(33,818)	(87.700)
Net Profit (Loss) Ratio%	4.89	3.23	1.29	(4.04)	(14.88)
Share Capital	66,902	61,902	61,902	56,902	56,902
Break-up Value/Share	24.14	19.48	11.80	5.95	(9.42)

By laying down the condition that a single group bid for 51% of the Company as a precondition to control, the Government appears to be encouraging a concentration to ownership over a very narrow base and by demanding that huge government loans be immediately repaid are precluding further investment in capital starved companies by management control with as little as 25% of the equity (as numerous instances of existing quoted companies will leave out), where the management is professional, experienced and committed to reviving economically distressed companies.

By these actions the mandarins at the helm of the Privatisation Commission's affairs appear to be encouraging the ultimate shut down of the Company. This is further borne out by

the fact that by insisting on a bid for 51% of the Company's shares capital when the State Engineering Company owns just under 25%, the Privatisation Commission is implying that the other Government institutions and Insurance Companies who hold PECO shares as investments will be forced to divest of their holdings to make up the 51% now on offer.

Powerless (in the face of government pressure) directors from financial institutions Company's board have proven to be, it is felt that they could exercise some positive influence on the Company's future course under private management. Moreover, the Institutions are there to support viable concerns by continued involvement—not to totally shun them. By so clearing the decks the privatisation Commission's motives become clear—not only do they not have any qualms about allowing the new owners a clean field in stripping PECO of its assets (once control has passed to them) they are making sure the task becomes less irksome.

Having set the cost of control of the Company so high and put into doubt PECO's very viability as a going concern by incompetent 'management', the Government appears to be sending a clear message to genuine bidders: you are locked out.

By scaring away genuine bidders by this combination of devastating financial results, unrealistic demands and the risk of legal complications, the powers that be can only be leaving a clear field to the 'favourites'.

Having laid the golden eggs to nourish many a bureaucrat over the two decades of nationalisation, why is the Company's goose now being prepared for cooking? Is it to further discredit an already sputtering privatisation programme or is there more than meets the eye to it?

Glancing through the list of directors one encounters the familiar name of Chaudhry Abdul Majid IJI MPA of NICFC fame. Further enquiries have revealed that he and his nominees were the single

largest private holders of PECO shares till recently. The shares were acquired obviously using the money of the now infamous co-op.

Is the former (?) co-op king, having flown his former co-op, now trying to launch another coup to feather his nest? Surely, he will have ample assistance.

Despite the devastated state of the Company's finances its share price stubbornly hovers around two and one half times par or three and one half times break-up-value.

This bloated valuation is partially due to the general nature of the stock market's speculative fervour—which has caused share prices to rise to unsustainable levels—and partially due to the perception of some hidden value in PECO by insiders. In conversations with stock market operators this newspaper has learned that PECO does have a hidden golden fleece: the large tracts of prime land owned by the Company, carried at nominal value in the books and worth many times more. "Public pronouncements to the contrary notwithstanding, the Privatisation Commission states, in a curiously worded condition; "Part or whole of the assets of the Company including land, plant and machinery shall not be sold/disposed off for five years from the date of the take over, in a manner that industrial potential is reduced".

As this escape clause will allow the sale of land-by cooperative bureaucrats, it is obvious that the only justification in committing the sort of resources bidders are being asked to commit, lies in the opportunity to shear the golden fleece to clothe the wolves now at the door. Is PECO's mode of privatisation, then, going to set the leit motif of the Government's handling of privatisation?

Much is currently being made of the sorry outcome of overweening socialist state interventionism. Are we, so soon after its proclaimed demise, to swing to the other extreme and let the poisonous venality of Gony-Capitalism throttle new born enterprise in its very crib?

Advertisement Top Left and Front Pages of Pamphlets Right & Bottom Left

BECO/ PECO REVIVAL

The founder and former owners / managers of BECO hope and pray the present Democratic Government's Privatisation Policy will prove successful to revive Pakistan's Economy and that it will also result in the Revival of BECO / PECO.

For Pakistan the story of BECO/PECO Establishment has a very special significance in the development of capital goods Engineering Industry in the private sector. BECO, therefore, enjoys a unique position among all the taken-over industries now being privatised, like Banks, Cement, Chemicals, Roli & Ghee Mills (though these are also very important for Pakistan Economy but easier, more, more profitable).

BECO was the first Muslim Industrial undertaking established in 1932 as a public limited company with broad based ownership of several thousand shareholders in the Pre-Partitioned India at Batala; which had grown up to be counted among the top five names in the India's capital goods Engineering Machine making establishments in the private sector. BECO decided **TO MIGRATE TO PAKISTAN IN 1947 IN THE TRUE SPIRIT OF PAKISTAN MOVEMENT.**

With the background of 40 years of hardwork (1932-1972) dedication and commitment to progress using modern technology (in this ever changing world) for the development of the Engineering Goods Industry in the private sector in pre-partition India & later in Pakistan, the team of devoted professionals led by Mr. C. M. Latif, the Managing Director since its founding, achieved even greater successes in Pakistan. So much so that by the sheer size and the high quality modern Engineering capital goods like machine tools etc. etc. it produced, it had become a show-piece of pride and achievement for all governments in office, to deserve a visit of every foreign dignitary on official or state visit to Pakistan.

In 1972, when suddenly taken over by the Bhutto's government the company had two sprawling large Engineering Plants — One in Badambagh on 65 acres acquired and the other in Kot Lakhpat on 200 acres area acquired, which will revert to original owners if diverted to other purposes.

In 1972 BECO was on the threshold of installing a high-tech PROJECT with the collaboration of a world famous Japanese Manufacturer **FOR PROVEN QUALITY MANUFACTURE OF FULL RANGE OF TEXTILE MACHINERY ACCEPTABLE TO TEXTILE INDUSTRY WHICH AFTER TAKEOVER WAS ABANDONED.** The Company was paying almost regularly handsome **DIVIDENDS TO ITS SHAREHOLDERS TILL 1971.**

The financial position of the company was enviable too when the Government extended its clutches to takeover BECO. As per "Take-over Report" by government appointed Managing Director dated 2nd January, 1972 the company's paid-up capital was **RS. 5.0483 CRORES**, its reserves & surplus was **RS. 9.3129 CRORES** & its total assets were **14.7622 CRORES**. The bank overdraft was **2.0622 CRORES** its other liabilities being only **RS. 89 LAKHS.**

Now after nearly 20 years of government take-over BECO/PECO has been totally ruined & ruthlessly plundered including its reserves.

Its accumulated liability including bank loan has soared to **RS. 97.8061 CRORES**. Its current losses of the year ending June 30, 1991 as per company's provisional account statement attached to bid documents are **RS. 8.75 CRORES** against a paid-up capital of only **RS. 5.6902 CRORES**. Its shares break-up value stands below ZERO.

We have submitted bid for 722,019 shares of 51% government shares holding & not of company's total shares, as

WE DO NOT WANT TO OWN THE COMPANY BUT OUR ONLY INTEREST IS TO SEE IT REVIVED AND FUNCTIONING.

The country badly needs BECO's REVIVAL. Its revival is in the highest interest of the country "ECONOMY" if Pakistan has to stand on its own feet and succeed in its Self Reliance Policies which the government is wishing to promote and advance.

IN THE NAME OF OUR BELOVED COUNTRY WE REPEAT AGAIN THAT WE DO NOT WANT TO OWN BECO. OUR FOREMOST INTEREST IS THE REVIVAL OF THIS GREAT NATIONAL ASSET.

With trust in **ALMIGHTY ALLAH** and with the cooperation and assistance of the government, we can still meet the challenge posed by the present situation to bail out the company for the service of Pakistan. The share base can be further expanded to include wider public participation. It needs at least **RS. 200/000 CRORES** for its revival **TO ORIGINAL GLORY & SYMBOL OF PAKISTAN STATUS.**

The time-tested dedicated original Management can associate with themselves some patriotic **SPEN OF ENTREPRENEURIAL SKILLS** and motivation to rekindle the spirit of this great engineering enterprise to be once again a pride of Pakistan. It is still possible with **ALMIGHTY ALLAH's** blessings provided government sincerely and actively help it.

C. M. LATIF
Founder and Former Beco Chairman & Managing Director
A Pakistan lover who lives and dreams for National Dignity & Glory

CPS Ltr.

Dear Recipient/Reader
 Greetings,
 I hope you would be kind enough to spare a few of your busy minutes to read the following few lines.
 Let us all join hands to save BECO - for Pakistan and for the coming generations to meet the engineering challenges of the 21st Century.
 Following is the BECO story related to solicit your support, and an article "Time to Focus on Capital Goods Industry" for your information.
 Thanks & regards,
 C.M. Latif

BECO/PECO REVIVAL

The founder and former owners/managers of BECO hope and pray the present Democratic Government's Privatisation Policy will prove successful to revive Pakistan's Economy and that it will also result in the Revival of BECO - PECO.

For Pakistan the story of BECO/PECO Establishment has a very special significance in the development of Capital goods Engineering Industry in the Private sector. BECO, therefore, enjoys a unique position among all the taken-over industries now being privatised (Banks, Cement, Chemicals, Roli & Ghee Mills etc. etc. (Although these are also very important for Pakistan's Economy but much easier than hi-tech engineering and are indeed, many times more profitable).

BECO was the first Muslim Industrial undertaking established in 1932 as a public limited company with broad based ownership of several thousand share holders in the Pre-Partitioned India at Batala; which had grown up to be counted among the top five names in the India's capital goods Engineering Machine making establishments in the private sector.

BECO DECIDED TO MIGRATE TO PAKISTAN IN 1947 IN THE TRUE SPIRIT OF PAKISTAN MOVEMENT.

With the background of 40 years of hard work (1932 - 1972) dedication and commitment to progress using modern technology (in this ever changing world) for the development of the Engineering goods Industry in the private sector in pre-partition India & later in Pakistan, the team of devoted professionals led by Mr. C. M. Latif, the Managing Director since its founding, achieved even greater successes in Pakistan. So much so that by the sheer size and the high quality modern Engineering capital goods like machine tools etc. it produced, it had become a show- piece of pride and achievement for all government's in office, to deserve a visit of every foreign dignitary on official or state visit to Pakistan.

In 1972, when suddenly taken over by the Bhutto's government the company had two sprawling large Engineering Plants - One in Badambagh on 65 acre/acquired land/and the other in Kot Lakhpat on 200 acres acquired area, which in law will have to revert to the original owners, if diverted to other purposes.

TEXTILE MACHINERY PROJECT

In 1972 BECO was on the threshold of installing a high-tech PROJECT with the collaboration of a world famous Japanese Manufacturer **FOR QUALITY MANUFACTURE OF FULL RANGE OF TEXTILE MACHINERY WHICH AFTER TAKEOVER WAS ABANDONED**

SURVIVAL/REVIVAL

OF

BECO/PECO

1. INTRODUCTION:

We have carefully studied the details of Balance Sheet and Profit and Loss Account of PECO ending 30th June, 1987, circulated by the present public sector (Government) Management and would like to submit the following:

2. CLAIM OF INCREASE IN SALES MISLEADING DEBT RATIO ALARMING

The sale in year ending June 1987, (probably also includes sales value of undelivered items) under review although more than that in 1986 (Rs. 420 million) in terms of value, largely due to Tower sales to WAPDA (56%) compares unfavourably even with the sales under Government Management of 1983 and 1985 Rs 519 and Rs 520 Millions respectively, when inflation in price of PECO products during the period is taken into account. The sales are even more unfavourable when compared with the pre take-Over sales of 1970 and 1971 when we consider that steel bars for example were **8/10 TIMES MORE EXPENSIVE IN 1987 THAN IN 1970**. A comparison of some accounting indicators in Table 'A' given over leaf reveal the present alarming weakness of the Company. **To mention only one, the loans as a percentage of declared pre-tax profits is approximate 28 times (2779%).**

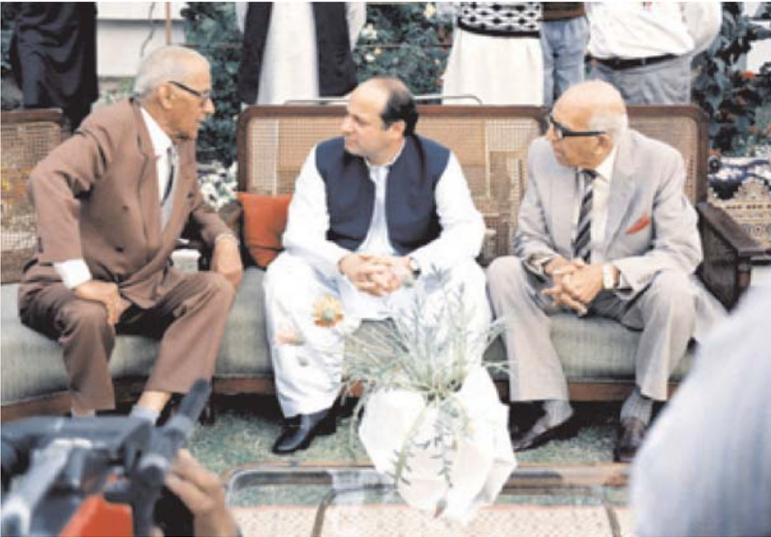
PRIVATE VERSUS PUBLIC ENTERPRISE PUBLIC APPEAL

(TO SAVE BECO-PECO FROM COLLAPSE
AND ULTIMATE DEMISE)

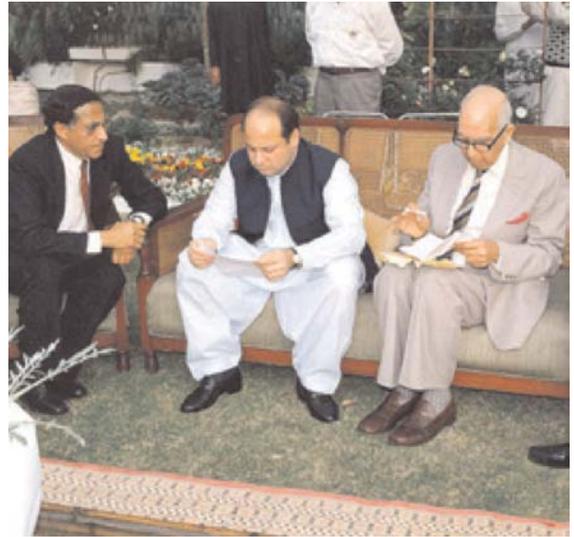
TO
GOVT. OF PAKISTAN
AND PUNJAB GOVT.

Latif's Proposal About Beco/Peco Revival

Some Pictures of 1992 Garden Party with Pakistan's Prime Minister Nawaz Sharif as the Chief Guest



Nawaz Sharif Flanked by C.M. Latif (L) and Siddiq Choudri (R).



Mr. Abdul Waheed (ex-Ambassador to Germany and Italy, ex-Member of the Parliament and son-in-law of Mr. C.M.Latif) is sitting left to Mr. Nawaz Sharif with Mr. H.M.S. Choudri on extreme right.

At that meeting Mr. C.M.Latif raised the question of Beco/Peco with the Prime Minister, who in return requested him to submit a concrete proposal. He also invited him to a breakfast meeting at the Prime Minister House in Islamabad.

This meeting took place on 26th May, 1992. The following proposal was sent to the Prime Minister on 23rd April, 1992 in advance of the forthcoming meeting.

BECO/PECO REVIVAL

PROPOSAL-I
Page -1
Dated: 23.04.1992

**FOR KIND PERUSAL OF MIAN MUHAMMAD NAWAZ SHARIF,
PRIME MINISTER OF ISLAMIC REPUBLIC OF PAKISTAN.**

- Government is already well aware that many foreign countries (including the most developed ones) offer very attractive incentives for industrial promotion. These include :-
 - Free land for the proposed industry.
 - Charge electricity/gas and infrastructure services at reduced rates.
 - Big relief in customs duties.
 - Tax holidays up to 5/10 years.
 - Repatriation of capital investments etc. etc.
- The government should for BECO revival provide possibly similar above mentioned facilities and many more. Government should also please keep in view the facilities offered by them to foreign investors. While deciding about facilities to Beco.
- The land under Beco Works (originally mostly acquired) should be evaluated (for determination of break up value of shares) as under :-
 - At price as in the company's books for purpose of determining the break up value. This will be great incentive and help for company's revival and enable to achieve its basic objective of self reliance.
 - Otherwise the same terms and price as demanded/offered to foreign investors.
- The company at present has nearly a loans of about 1 Billion Rupees and other liabilities which has been incurred during last 20 years when the company was under government direct management. **These loans should be written off by the government in the greater national interest of the revival of this Most Important National Engineering Asset.**

It may kindly be noted that government, few years ago, helped to revive many **sick units** by resitting 50% of their loans and for 50% payment in installments by them. Reviving Beco which is no doubt a **dead unit**, deserves much more government help.

THEN ALTERNATIVELY WE REQUEST AS FOLLOWS
- For major portion of this loss the government has given their **collateral guarantees** to the various financial institutions and banks etc.etc. All those collateral guarantees of the government should remain in force exclusively in government's account. Besides the collateral guarantees, these finance institutions have also lien on the company assets as under, as per company published balance sheet :-

Page-2

"These finances are secured by a legal mortgage on immovable proportion including land, building and additions/deletions thereto, pledge and hypothecation of machinery and movable properties, hypothecation or assignment of the benefits of contract with supplier of goods to be imported or purchased for the purpose of project, a floating charge on the business undertaking and other properties and a demand promissory note. These charges shall rank pari passu with existing charges created in favor of other senior creditors".

The assets of the company to be totally free from all such encumbrances (as mentioned above) with respect to the various loaning and other institutions as the government has given collateral for these loans. If the government has not given collateral guarantee for any liability, it should be done now so that the entire assets of the company are free in all aspects.

- If our request as per para-4 cannot be granted, **though government has omitted large amounts in many cases like National Shipping Corporation and others.**
- The company may be allowed to pay back these loans from banks etc, or other liabilities on specified dates to government, starting after at least 20 years (grace period) and be paid back by the company in 10 yearly installments totally interest free. (Government to bear any interest as all these amounts/mark up and liabilities are piled up during 20 years period under which the company was exclusively operated by the government.

Valuation of shares owned by the government:-

We would like to obtain the shares with a view to being in a position to run the industry effectively and our plan is to float more capital for public subscription as the company is very much under capitalized. The government in the name of State Engineering Corporation is holding 1415723 shares mostly compulsorily acquired from promoters etc. and later some free bonus shares and some right shares.

We are prepared to obtain any number of shares from these shares as desired by the government.

We request the government to charge us the price of shares based on the same formula which was notified by the Pakistan Government in the official gazette in 1973 under which our shares were compulsorily acquired. We quote the 1973 ACT LXIV (an act further to amend the Economic Reforms Order, 1972):-

"In the case of shares quoted on any of the stock exchange, at the break up value or the market value, whichever is less".

- We would be grateful if payment to government for these shares is spread over a period of 10 years. It may be mentioned that compensation to us, after taking over by the then government in 1972 was paid after a long time and the Government under terms of Transfer Act, 1973 is authorized to determine.

Concrete Official Action, Not Sheer Discussion

Page-1

9. The present government is irrevocably committed to Pakistan self reliance and privatization of the industry. As declared recently by the president that the government's job is to promote and not control. This will result in reviving the Pakistan Economy.

10. In view of the spirit of the main objectives of revival of Beco and speeding up achievements on National self Reliance, many more incentives including the one's mentioned above and mentioned under will greatly help self reliance objective and also its revival.

a. Tax holiday for 10 years.
b. We understand company's balance sheet for ending June, 1991 which under company law was to be placed by 31st December, 1991 in the General Meeting is now issued, shows loss of Rs. 164 Million which is likely to increase to at least Rs. 230 Million by end June, 1992. The government has to bear those losses totally. Absorbing these losses by us will be a punishment, and we are unable to take them over which will be not in the interest of revival.
c. At least the same terms as were offered by late General Muhammad Zia-ul-Haq government to Ittefaq Foundries.
d. The government should hold at least some part of the shares of the company.

11. You are aware that besides reviving the present manufacturing products of Beco we will be putting up new project for the manufacture of Textile Machinery and install a Demonstration Textile Mill where we will install 50-50 imported/our own manufactured items of the textile machinery to prove physically our quality to various present and future textile entrepreneurs.

We hope that we will be successful in the revival of Beco. We have to mobilize more capital from the general public as the present capital of the company is too small.

SOME OBSERVATIONS

12. May we submit for your and government functionaries consideration, specially our worthy Finance Minister and Chairman Privatization Commission, that prior to calling bids, disclosure of reference price and the basis of its calculation is an essential pre-requisite for transparency which has not been done yet :-

a. Our struggle to take interest in Beco affairs is mainly in the interest of its revival to its past glory and also as it is now being privatized, which we hope is done in such a manner which is conducive to its revival.
b. Though in October, 1977 we declined to General Muhammad Zia-ul-Haq's offer to Mr. C.M. Latif in presence of General Aswat Khan the then Lahore Martial Law Administrator. As successful management was not possible till the Nationalization by Mr. Bhutto PFF Government action, was completely undone, which General Muhammad Zia-ul-Haq was requested to do.
c. Support 100% present government resolve in implementing privatizing policy which will definitely result in reviving Pakistan Economy.

Page-4

13. We value and very much appreciate your telling Vice Admiral (Retd) N.M.S. Choudhri when he visited you on 5.6.1991 in SIND Government House Karachi that the government's real purpose in privatization is to revive "the country's economy and not collecting money". We hope that your government will now approach Beco's cases with this policy announcement and will really help and contribute (even financially) for revival of this National Asset.

The case of Beco's revival is clearly different from other units like Cement and many other such industrial undertaking.

14. It is really a paradox to bring it to your notice that the bids called by Privatization Commission particularly for Beco/Peco (and probably for other units) says 11% of the shares of the company although the "BID FORM" clearly says they are calling bids for the shares held by the government.

In case of Beco/Peco the government owns only in the name of State Engineering Corporation as stated in company's balance sheet 1415723 Shares (24.69%).

Instructions on bid documents and Privatization Commission elucidation says bidders to quote for 51% shares of the company. Later it was stated to us on telephone by the Secretary Privatization Commission that 51% will be achieved by transferring certain percentage of shares held by the Financial Institutions controlled by the government but definitely not held by the National Investment Trust (NIT).

15. We never received reply to our letter No.SA/63/4 dated 19.10.1991 addressed to Privatization Commission. We clearly proved that the statement made by the Secretary is not correct enclosing a table of shares held by various institutions from which is proved beyond a shadow of doubt that almost all the shares in the name of NIT have to be included to make it 51%.

We enclose copy of our above referred letter for your perusal.

16. Honestly it is really a paradox, Beco/Peco is so short of capital that they need more subscription from the public as per government policy of associating more and more general public money.

17. The action of Privatization Commission calling bids which will also include shares held by NIT where 66000 people have subscribed, is astonishing and their not replying to our letter is more perplexing and I hope your goodself will enquire into it.

N.B: All shares held by these institutions and bid documents terming them as controlled by government were purchased by them before company was Nationalized in January, 1972, after these institution were thoroughly satisfied with soundness safety of their investments, after years of continued operations of Beco.

18. We feel that these actions of the privatization commission would, besides creating a monopoly, give a clear impression of opacity rather transparency, which worthy members Senate, Parliament and most of the affectees are openly stressing again and again.

Page-2

OUR OBJECTIVES

a. To contribute making Pakistan self reliant, stable, prosperous and economically/industrially strong, by reviving Beco as national asset, by proper planning/hard work.
b. To help create more employment and improve workers living standard.
c. To create wealth and pay reasonable return to share holders and taxes to government etc.etc. and gradually rebuild reserves of the company.

19. It appears that the only way for Beco's revival is that government declare it as a National Engineering Asset and then promote rather than control it, as declared by our worthy President in his address to Parliament. We repeat again, that without government's total help and support the Company is beyond revival. Its condition is fast deteriorating which is likely to end in its premature demise.

Beco manufacturer of metal machinery/capital goods etc.etc. be considered as National Asset. Metal Machinery manufacturers all over the world are considered as such.

20. We believe and have full faith that a dynamic person like you being our Prime Minister we Insha Allah certainly will succeed in reviving Beco which clearly helps Pakistan's self reliance by our manufacturing and meeting industry's need of quality textile machinery items etc.etc.

Thanking you,

I remain Sir,
C.M. Latif
23.04.1992.

N.B: Its losses ending 31st December,1991 as per six monthly statement issued by the Company now is 207 Million. It appears ending 30th June, 1992 will exceed 230 Million as estimated by us/mentioned in Para 10(B).

PROPOSAL-II
Continuation of our submissions to your good-self, which were partly discussed with you on 26.05.1992

Page-1
Dated: 01.06.1992

OUR BECO REVIVAL PROPOSALS - VARIOUS ALTERNATIVES IDEAS CONTINUED

Your Excellency,

We thank you for the opportunity so graciously granted to us for placing before your Honor our proposals for BECO's revival, in the meeting attended by Federal Finance Minister Mr. Sirtaj Aziz, as well as your Excellency's personal presence, in Islamabad on 26th May, 1992.

We are grateful for the discussions held, and various aspects of the issue examined by your goodself and Mr.Sirtaj Aziz. We also noted with interest that Mr. Mian Muhammad Arif, Member Privatization Commission, and Mr. Muntaz Abdullah, Controller of capital issues and Corporate Law Authority have been asked to jointly look into this matter and work out a workable, fair-and-just formula and its modus operandi to achieve the true spirit of Privatization objective.

Keeping in view the highly special nature of BECO as a "National Engineering Asset" of some magnitude, BECO not only needs to be preserved, but also deserves to be revived back to health in the shortest possible time in order to promote the Self-Reliance.

It should also be understood that BECO's Plant Land was acquired solely for BECO's Capital Engineering Industrial purpose and for installing its Engineering Plants; and if any attempt is made to sell it to a third party as real estate or for purposes other than capital engineering industry, even if termed as industrial, under Land Acquisition Act, it will revert to original owners, which only means litigation for long years.

The ideas of inviting rebidding again for BECO Plants and BECO Land, separately, appears therefore, not practicable and will create untold legal complications, denying the Company's revival.

We are of the firm view that under no circumstances this vital national engineering asset should be allowed to vanish at the hands of some greedy real estate dealers, and it should be privatized in such manner which helps it's revival for the country.

It will be seen that BECO at present is highly under capitalized. Besides, it has had to suffer huge losses amounting to from Rs: 170 to nearly 300 millions, now by the year ending 30th June, 1992.

We therefore, propose that any serious effort to achieve meaningful results for BECO's revival will have to be by infusing more capital by the redeeming entrepreneurs in the shape of "venture capital". This increase of capital may be up to about Rs 1 Billion. This important reality needs to be understood and agreed upon in principle at this stage, to realize the dream of BECO revival and the promotion of self-reliance scheme of the Prime Minister.

In this connection, the following formula is proposed to be evolved to meet the basic capital requirement of increase of capital, as mentioned above.

During the meeting, the Prime Minister proposed to Mr. C.M.Latif, that they would settle the Beco/Peco case through mutual discussions and understandings. However, Mr. C.M.Latif did not fully agree to it and recommended that the process should move through the pertinent Government offices and the Prime Minister should give them directions to this effect. Therefore, after the meeting Mr. C.M.Latif submitted the following additional proposals on first June, 1992 reproduced on the right and on the next page.

The Last Fruitless Garden Party

Page-2

New issue of shares worth Rs 1 Billion (100 million ordinary shares of Rs.10.00 each) should be authorized to be contributed as under:-

A. 200 million rupees to be contributed by BECO Agencies (Pvt) Ltd.
 B. 200 million rupees by an other private Pakistani entrepreneur.
 C. 200 million rupees by Pakistan Government.

To make a total of Rs.600 million to be treated as 'venture capital'/ deferred share for the revival of BECO.

To remaining Rs. 400 million worth of shares may be floated for General Public subscription after issue of appropriate prospectus, and after due approval of the Controller of Capital Issues and the Corporate Law Authority.

The old share-holding structure may be allowed to remain intact on 'as-is-where-is basis', without any adjustment what so ever; with the net result that BECO is turned into a private enterprise. Public Limited Co., ensuring the executive control reverting to the previous owners/share holders/Managers, as at the time of take-over in the year 1972.

This would promise to be a viable solution to the knotty issue of privatization of this unique engineering complex, now almost gone to dogs. It will also be "fair and just" solution and with the following broad features to its credit :-

- The existing share holding structure to stay undisturbed (and therefore, no question of reference price and bid value etc.).
- The company becomes truly broad based, national engineering enterprises, in the private sector as a Public Limited Co., with the following special features :-
 - The government holding....shares to the ratio of about.....8.
 - The Beeco Agencies (Pvt) Limited holding about.....4 shares.
 - The General Public holding about.....4 shares.

All this would be achieved with indigenous national resources 'by the Pakistani's for Pakistan' with Government participation and patronage to make it a truly national institution.

This package, unique in its own style and form, could well set a pattern to evolve such National Institutions in the other economic and industrial fields in the Areas of vital significance to the country i.e. sophisticated defense production, high-tech transfer of technology, and significant super sophisticated know-how industries in the private sector.

As the very nature of 'venture capital'/deferred shares (with option of the share holder to convert them at par into ordinary share) is 'high risk' capital, 10% interest per annum may be allowed to the promoters, investors a, b and c above, irrespective of the company declaring dividend or not.

In the case of higher dividend than 10% a, b, and c, also to qualify for higher dividend/return alongwith other old and new share holders of the company.

Page-3

It may be mentioned at this point that Beeco Agencies (Pvt) Ltd, are currently negotiating a possible foreign joint venture/cooperation or, foreign loan of approx. Rs: 200 million for 5 years or so period, to contribute towards share capital as mentioned above, which will also be treated at par with the venture capital, and draw 10% interest per annum. This amount will have to be allowed to be made repatriable in foreign currency to the foreign lending agency, by the Beeco Agencies(Pvt) Limited. Any difference in exchange rates will have to be borne by Pakistan Government. In case of repatriation, the matching Pakistani rupees funds will be provided by the Beeco Agencies (Pvt) Limited. Similarly, repatriation of 10% interest will also have to be allowed to BECO for repatriation to foreign lending Agency.

As for government's gains under this scheme, it will not be out of place to mention that the government has been a quiet sufferer/loser at the hands of government managed BECO, at the rate of about 20 Million per annum for the year 1980, 1981 and 1991 to the tune of 100 Million, totaling 160 Million to date, without any return or commitment to the government on the part of BECO management of any thing nearing the commitment and future development plans of the original owners/share holders/Managers, out of great sense of patriotism and the sincere wish to give a helping hand to the Self Reliance scheme of the Prime Minister, in our own humble manner.

We are sure on revival beside contribution to self reliance, the government can sell, if it wishes, their part of share capital through stock exchange at the expected much higher price.

We again re-affirm and submit that we will leave no stone unturned to make our best efforts to salvage the present mess and revive BECO back to its past distinguished position as "pride of Pakistan" in the capital engineering industrial field.

BECO will adhere strictly to commercial norms to run this industrial enterprises but would need the government and its share holding Agencies understanding and support in its true spirit by supporting its Chief Executive and the company policies in the Annual General body meetings, if at all such need arises.

The government will extend co-operation and give preferential treatment to BECO to purchase its products on its own account and its semi official Agencies as well as by extending protection against imports, keeping in line with the self reliance policy principles.

Then only the goals set forth by the incoming team can be achieved in the shortest possible time in the areas of its manufacturing lines for the greater good of the country.

Thanking you,

Yours truly,

C. M. Latif
 Ex-Chairman/Managing Director
 and all Former Directors.
 Dated: 01.06.1992.

The Government did not respond in any way to the above proposals. They rather seemed to avoid them deliberately. Looking back in time, now it becomes clear that they had quite a different agenda to dispose of Beco/Peco.



HMS Choudri Receiving Mr & Mrs Nawaz Sharif.

Probably the issue of Beco/Peco and Mr. C.M.Latif, were close to Nawaz Sharif's heart but in a different way. Perhaps he could not forget even, after becoming Prime Minister the old business rivalry between his father's industry known by the name Ittefaq Industries and the Beco Industries Ltd. Further-more, he was removed from power in the year 1993. Therefore, the net result to get BECO/PECO

Another garden party was arranged in March, 1993. It was the last one which Mr .C.M.Latif held. Nawaz Sharif who was still the Prime Minister of Pakistan accepted the invitation to be the chief guest. Following are some photos of this memorable occasion.



Nawaz Sharif, Choudri Abdul Karim and Mr.C.M.Latif in discussion.

privatized during his Government ended in a fiasco.

On the next page (245) a full-paged advertisement is also reproduced, which was printed in all the national dailies, to inform Nawaz Sharif Government, the general public and official functionaries, the importance to privatize BECO/PECO immediately.

Illegal Functioning of the Beco/Peco Company



Cover Page

The word “rehabilitate” was used first time on page-6, para 3 (reproduced below) under heading FUTURE OUTLOOK in this annual report of 1992.

“Although your company is on privatisation list yet the Board of Directors decided to rehabilitate it.

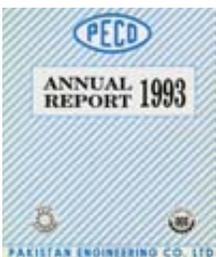
Accordingly, a scheme for financial re-structuring and rehabilitation has been submitted to the Government which is under consideration”.

It is important to remember, that, the company was and is being run under the Economic Reforms Order dated 1972 & 73, as reproduced on page 230. The word “re-organization” was permitted under clause 7D (1,2) and for this the Federal Government would issue a notification in the official Gazette.

Economic Reforms Order was the law under which these Industries shares were nationalized and they were run consequently accordingly under it. There-fore, the Companies Law & Memorandum of Articles of Association did not apply any more, other-wise they could not have been nationalized in the first place.

The Board of Directors, which the above reproduced para under “Future Outlook” is referring too, could only be legal and functional under the Economic Reforms Order and nothing else.

Below it becomes apparent, how illegally the functioning of the Company BECO/PECO was carried out in view of the above facts.



Cover Page

Financial report for the year 1993 officially disclosed the “rehabilitation” plan, as they liked it to be known. Following is an extract from page 3, under heading “Special Business” the resolutions which were put to vote.

“RESOLVED that in pursuance of the Rehabilitation Plan of the Company and in accordance with decisions of the Economic Coordination Committee (ECC) of the Cabinet Government of Pakistan, the Badami Bagh Works land to be disposed off and proceeds to be utilised for meeting funds requirement of rehabilitation and development plan of the Company”.

“FURTHER RESOLVED that the business operations being carried out at Badami Bagh Works be shifted to Kot Lakhpat Works and any surplus machinery be disposed off”.

“FURTHER RESOLVED that the Managing Director of the Company be and is hereby authorised to sign and execute documents on behalf of the Company and take all steps necessary for the implementation of the above resolutions.

“A statement under section 160 (1) (b) of the Companies Ordinance, 1984 is attached to the copy of the Notice being sent to members”.

(The Companies Ordinance had no part to play here, as these companies were being run under a different law, as disclosed above).

If these resolutions are read while keeping in mind the Economic Reforms Order, it will be revealed, that, the ECC did not have authorization to sell company assets, as under Economic Reforms Order, only rehabilitation can take place to improve efficiency etc, of an Industry. Further-more, no-where in the Ordinance of Economic Reforms Order, it was mentioned, that, these Industries are being taken-over or shares being nationalized to ultimately sell the assets.

Any-way the resolutions were passed, as the Government was the initiator and they had the majority, by virtue of the shares they had nationalized by force and the Government and semi Government organizations who were holding additional shares, had to vote with them, as per the Economic Reforms Order of 1972 & 73, clause 7 (3) & explanations, 7-E(1), and (2).

Now, even if the Companies Ordinance is examined in view of the section under which they have seemingly passed the Special Resolutions to sell BECO/PECO's assets, the following truth will be found as a complete violation of laws.

Section 160 (1) has to be read along with Section 2 (36) which says:-

(36) “special resolution” means a resolution which has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy at a general meeting of which not less than twenty-one days notice specifying the intention to propose the resolution as a special resolution has been duly given:

Against this what Beco/Peco reportedly got in their meeting held on, January 15, 1994 at Hotel Services International.

	No of persons	No. of Sharehold	% of total shares	% With Shareholders present at AGM
Voted for	82	2947904	51.81	98.75
Voted against	21	712	0.01	0.02
Abst. Votes	7	343	0.01	0.01
Non-voted from	188	5942	0.10	0.21
Total	228	2954306	51.93	100.00

They reported that they got a simple majority of 51.81% in favour of the Special Resolutions, while they were required to have 75% of the votes in their favour to pass such resolutions.

Latif Constrained to Knock at Judiciary's Door

IN THE LAHORE HIGH COURT LAHORE
(Companies Jurisdiction)

o/c

C.A. No. _____ of 1994.

Ch. Mahmood Latif Vs. Pakistan Engineering Co. & Others.

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PETITIONER

through :

M.Saleem Sahgal,
L.L.N.(London), Bar-at-Law,
Advocate, Supreme Court & High Court,
B-Flower Bldg., 74 The Mall, Lahore.

Dated: 19.01.1994.

When the Company accounts for the year closing 30th June, 1993 were made public, showing that the Government was bent upon destroying Beco/Peco, Mr. C.M.Latif realized that after making so many representations to the government over the past few years and further, it became apparent that the Government did not care to listen. Therefore the only remedy left was to knock at the door of the Judiciary. Hence a case was filed in early 1994.

Following are the grounds which were taken in the case on 19th January, 1994.

- That the Respondent No. 1/Company has clearly violated the mandatory provisions of Section 235 read with Para 7A of Part II of the Fourth Schedule of the Ordinance.
- That the affairs of the Respondent No.1/Company have been conducted and managed as to deprive the members thereof of a reasonable return.
- That the members of the Respondent No.1/Company have not been given all the information with respect to the affairs of the Company.
- That the affairs of Respondent No.1/Company are not being managed in accordance with the sound principles and prudent commercial practice.
- That the financial position of the respondent No.1/Company is such as to endanger its insolvency.

In view of the foregoing facts, circumstances, reasons and grounds, it is most humbly prayed that this Hon'ble Court may graciously be pleased to declare that the affairs of the Respondent No.1/Company ought to be investigated by an inspector or inspectors and direct Respondent No.2 to appoint one or more inspectors for the investigation of the above said acts, frauds, misfeasance, malfeasance and breach of trust committed by the Respondents No.4 to 11.

It is also prayed that this Hon'ble Court may be pleased to further direct:-

- That the respondents may be restrained permanently from acting upon the resolution passed in the Annual General Meeting of 16.01.1994 and disposing of the said land.
- Respondent No.2 to initiate appropriate proceedings against/prosecution of Respondents No.6 to 11 and other directors/officers/functionaries of Respondent No.1 for the various violations of Law especially the Companies Ordinance, 1984, including Section 235 and for under-recording of the materials consumed in violation of Section 230 of the Companies Ordinance, 1984.
- Respondent No.2 to examine the books and appears of Respondent No.1/Company in exercise of powers under Section 231 of the Companies Ordinance, 1984, and to take such action as may be called for under the law.

The case was first heard by Mr. Justice Zia Mahmood Mirza of Lahore High Court, Lahore on 6th Feb, 1994. Then it was heard by Mr. Justice Ihsanul Haq Chaudhary from 23rd April, 1994 to 16th May, 1994, and then adjourned again till 12th July, 1994. Later it was heard and adjourned for a date in October, 1994. Which never materialized, till the case was heard on 29th Nov, 1995 by Mr. Justice Munir A. Sheikh, who passed the following order reproduced below on the left. On 24th Sept, 1998 Mr. Justice Malik Muhammad Qayyum dismissed the application reproduced on the right. Judiciary being subjugated by the Executive continues to be the trend even upto today. By 29th November, 1995 the assets of Beco/Peco Badami Bagh were officially advertised twice for sale. Against this, relief was sought from the Lahore High Court, but by that time the case had lost its functional value.

29.11.1995. Mr. M. Saleem Sahgal, Advocate, for petitioner.

After hearing learned counsel for petitioner it prima facie appears to be a case of further consideration.

2. Admit. Notice for 17.12.1995.

3. The notice shall also be issued through registered post acknowledgement due in addition to ordinary notice, the expenses of which shall be deposited by the petitioner.

(Munir A. Sheikh)
JUDGE.

29.11.1995. Mr. M. Saleem Sahgal, Adv. for petitioner.
Mr. Ghulam Raza Khan, Adv. for respondents.

A preliminary objection as to the maintainability of this petition has been raised by the learned counsel for the respondents on the ground that the petitioner owns only 60 shares of the value of Rs.100/- each which do not constitute 1/10th of the total share holding of the company. This objection appears to be well-founded. A perusal of the application shows that the petitioner has only claimed that he is a share holder of respondent No.1 company and has therefore locus standi to file this petition.

2. There is no averment that the petitioner owns 10% or more share holding of the company. Furthermore, a reference to the prayer clause would show that the petitioner is seeking those reliefs which cannot be granted within the scope of section 265 of the Companies Ordinance, 1984.

Dismissed as being not maintainable.

(Malik Muhammad Qayyum)
JUDGE.

The 1994 Annual Report Reveals Further Government Intentions



As the year 1994 continued the annual report of the year gave further information regarding Government intentions towards Beco/Peco. Some extracts from the Chairman's review are being reproduced below from that report.

CHAIRMAN'S REVIEW

Cover Page

It is my privilege to welcome you to the 45th Annual General Meeting of the Company and to present its audited accounts for the year ending June 30, 1994 along with the Auditors' Report.

OPERATIONS:

As would be recalled, the shareholders were informed in the Annual Report for 1992-93 that a rehabilitation plan of your Company was under active consideration of the Government. This rehabilitation plan was reviewed by various high powered committees constituted by the Government. The final recommendations of the committees were approved by the Federal Cabinet on 30.05.1994. These recommendations were made after careful and thorough review of the precarious and fast deteriorating financial health of the Company which had threatened its closure. There were two options before the Government i.e. either to close the Company with immediate effect and hand it over to the Privatisation Commission for sale to avoid accumulation of further losses or rehabilitate it by fully implementing all the recommendations of the committees. The Government opted to rehabilitate the company and then privatise it. Of the many recommendations approved by the Cabinet the following were the most important and formed the essential core of the rehabilitation plan, with time factor being its key essence:-

- (1) The Ministry of Finance will issue bonds for one year to banks/OFLs against loans and accrued mark-up.
- (2) The banks/OFLs would resume normal banking facilities to PECO.
- (3) The company will shed extra staff by offering Voluntary Separation Scheme.
- (4) The assets of the Badami Bagh Works and surplus land of Kot Lakhpat Works would be disposed off. The sale proceeds of these assets will be utilized to retrieve government bonds and pay the dues of government departments and Privatisation Commission.

Financing

As approved by the Cabinet, Badami Bagh Works assets have been offered for sale by Privatisation Commission and bids are expected to be called shortly. The surplus land of about 100 acres at Kot Lakhpat Works would also be offered for sale in near future. The proceeds of Badami Bagh Works and surplus land of Kot Lakhpat Works will be utilized for payment of

Government Bonds and dues of other Government Departments. Any surplus amount will be utilized by the Company for its operations.

Analysis of the above report:-

Points 1, 2 and 3 are simply operational and show how badly the Company was performing. Point 4 and para under the head Financing need examination as follows:-

Once more, it is clear from the narration of the Chairman's Report, that the Company is being run not by the board of directors, under the Companies Ordinance, as the Government wants to project through the annual accounts. It is, in fact, run by the Government itself which can only be done under the Economic Reforms Order of 1972-73.

It is reconfirmed that the assets of Badami Bagh Works be put up for sale, for which a resolution has already been passed by the Annual General Meeting, shown to be illegal as on page 246. A new entry of sale of surplus Kot Lakhpat land has been added in this report. But so far in the annual reports, there has been no mention of any resolution being passed to this effect.

THE FEDERAL CABINET HAS NO IDEA:

- (1) **THAT MOST OF BADAMI BAGH LAND IS ACQUIRED AND CANNOT BE SOLD AND THAT KOT LAKHPAT LAND IS COMPLETELY ACQUIRED.**
- (2) **GOVERNMENT ONLY OWNS SHARES WHICH IT HAS NATIONALIZED, NOT THE COMPANY'S ASSETS.**
- (3) **GOVERNMENT'S FUNCTION IS NOT TO CAPTURE PRIVATE PROPERTY AND THEN PUT IT UP FOR SALE IN THE OPEN MARKET FOR A PROFIT.**

WAS THE FEDERAL CABINET (THE HIGHEST AUTHORITY OF PAKISTAN GOVERNMENT) ACTING LIKE A QABZA GROUP?

The Privatization Commission was established to privatize taken-over/nationalized industries, went into the nefarious business of selling assets of their units, as is very evident from the following two ads, reproduced on the next page, which they announced in all the local dailies one after the other.

On the following page 250 is reproduced a full-page ad which Mr. C.M.Latif published on Sunday 21st January 1996 in all the national dailies, to awaken the Government and its officials that they were proceeding with actions which were not in conformity with their own established rights and that they must immediately come to rescue Beco/Peco, instead of destroying the Company by closing down and dismantling its main operations (Badami Bagh) under the false and funny pretext of "rehabilitation".

Government Functionaries' Behaviour Towards Beco/Peco

Letters to the Editor

Requiem for PECO

Sir,
 Proceedings at the recent pre-bid conference and sale/auction of PECO have driven me to versifying:
 Deep in resonant canons
 Far from civilization
 Buzzards feast
 Vying with crawling insects
 They peck at decaying remains
 Of what once was the roaring pride of the jungle,
 The Lion King.

Ensnared by vicious hunters
 De-fanged and de-clawed,
 He was put in a cage where the lion-tamer domesticated him.
 The money rolled in:
 days passed and when he could no longer turn tricks
 They sold him to a taxidermist, who stripped him of his coat
 Before rolling the rest off a cliff.

The buzzards now wing their way to the cities.
 Sitting in bureaucratic semi-circles
 They shift uneasily in overstuffed chairs
 As they decide the fate of the people's industrial heritage

Supercilious, cigar-smoking, fat-cats impatient to divest themselves of embarrassing liabilities.
 That were once the jewels in the nation's industrial crown.

The skeletons of machines that once hummed and throbbed
 Laid out now in neat silent rows
 For the appraising eyes of the undertakers,
 Disporting themselves as junk-dealers.
 And the land?
 On it raise a gravestone that reads "Here rests Pakistan's engineering industry. Born August 1947 - died January 1972."

Yours etc.,
 Asad Siddiqi,
 Lahore.

It is not known what was the outcome of these advertisements, even though all the country's newspapers were scanned for information to this effect in the year 2005. Most probably there was no response. At least this can be said with certainty in case of Beco/Peco, because the following pages will show what happened to Beco Badami Bagh Works.

It will also be noticed that the top ad (The News International, Tuesday, January 17, 1995) gives a date for outright sale as 24-25 January, 1995 and the bottom one (The News International, Saturday, January 28, 1995) gives a date of 7-8 February, 1995 having a difference of about 14 days. Reasons for this also were not known.

In both the advertisements Beco/ Peco's Badami Bagh Works was broken up in 5 lots for sale.

Can this be termed as privatization?

Was this the mandate of the Privatization Commission?

On the right is scanned reproduction of a letter to the editor, written by Mr. Asad Siddiqi, printed in the weekly magazine The Friday Times (28th Sept-4th Oct, 1995). It could not have explained better how the Government functionaries were behaving towards Beco/Peco.

Privatization in Pakistan

Opportunities for Secure and Profitable Investment

Outright Sale of Units/Properties on 24-25 January, 1995

The Privatization Commission, Government of Pakistan, invites interested parties in the private sector, both local and foreign, to participate in the open bidding for purchase of the following units/properties on the dates specified as under:

Tuesday, 24th January, 1995	Wednesday, 25th January, 1995
Properties of Badami Bagh Works of Pakistan Engineering Company Ltd. (PECO) - Lahore PECO Unit I This unit occupies 56 kanals of land. It comprises cast iron foundry, wood and metal pattern shops and the brick shop. PECO Unit II This unit occupies 42 kanals of land. It comprises structure shop, hardware and heat treatment shops, hot forging and press section, electrical maintenance section and a technical school. PECO Unit III This unit occupies 64 kanals of land. It comprises general machine shop, rolling mills, submersed accessories shop, general maintenance shop, general engineering shop, and an electric sub-station. PECO Unit IV This unit occupies 44 kanals of land. It comprises power loom shop, pumps manufacturing shop, design office and an administration block. PECO Unit V This unit occupies 36 kanals of land. It comprises machine tool shop, slow-speed diesel engines shops and central tool room. PECO may allow use of its brand name for products under its company license.	Properties of Republic Motors Limited Parcel 1 at Lahore — 42 kanal plot located at 87 Shalimar-e-Quaid-e-Azam. A three storey building alongwith a workshop are present within the premises. — 4.5 kanal vacant plot at 275 Jail Road near Sherpas Bridge, Lahore. Parcel 2 at Karachi — Al-Haroon Building on Garden Road, Karachi on a plot of 4,400 sq. yds. — Ownership claim on a 2 acre plot of land No. 9-86 in S.I.T.C. Karachi. Ravi Engineering Ltd. Kalashah Kaka Facility for general engineering and fabrication of thin gauge vessels and drums. National Petrocarbon Ltd. Pipri, Karachi Carbon black manufacturing plant in Pipri Industrial area, Karachi. The rated capacity is 8,700 tonnes per annum. Maharwal Collieries, Distt. Mianwali Produces superior quality coal in Pakistan. Production for the year 1993-94 was 36,000 tonnes. The geological estimate of coal reserves is 23 million tonnes.

There will be no restriction on the sub-investment of assets for the buyer in respect of all units (except National Petrocarbon Limited) subject to the condition that the sale proceeds of assets are deposited with the Privatization Commission for adjustment against the balance payable by the buyer.

Those who wish to participate in the bidding will be required to deposit earnest money of Rs. One million for each unit/property (except for Ravi Engineering Limited) for which it is Rs. five hundred thousand in the form of Bank Draft/Pay Order in favour of the Privatization Commission, payable at Islamabad by 10.00 a.m. on the date of bidding or earlier. Deposit of earnest money is mandatory prior to bidding.

Detailed information memoranda, inspection to bidders and application forms etc. are contained in the Bidding Documents which can be obtained from Mr. Asad Waqar, Deputy Secretary in the office of the Privatization Commission on payment of Rs. ten thousand or equivalent in foreign currency through a Bank Draft/Pay Order in favour of the Privatization Commission, payable at Islamabad.

Interested parties can contact the officers in charge of the units on all working days from 9.30 a.m. to 4.00 p.m. for details and to arrange inspection of the pertained properties.

Privatization Commission
 GOVERNMENT OF PAKISTAN
 S.A. Constitution Avenue,
 Sappers Admision Club Building, Islamabad Pakistan
 Telephone: 93-55-222245 Fax: 93-51-423276

A pre-bid conference will be held on 18th January 1995 at Holiday Inn Islamabad Hotel at 9.30 a.m. to facilitate better understanding of the bidding process and respond to the queries of the prospective bidders. Participation in the conference will be through special invitation in addition to those who may have purchased the bidding documents.

Privatization in Pakistan

Opportunities for Secure and Profitable Investment

Outright Sale of Units/Properties on 7-8 February, 1995

The Privatization Commission, Government of Pakistan, invites interested parties in the private sector, both local and foreign, to participate in the open bidding for purchase of the following units/properties on the dates specified as under:

Tuesday, 7 February, 1995	Wednesday, 8 February, 1995
Properties of Badami Bagh Works of Pakistan Engineering Company Ltd. (PECO) - Lahore PECO Unit I This unit occupies 56 kanals of land. It comprises cast iron foundry, wood and metal pattern shops and the brick shop. PECO Unit II This unit occupies 42 kanals of land. It comprises structure shop, hardware and heat treatment shops, hot forging and press section, electrical maintenance section and a technical school. PECO Unit III This unit occupies 64 kanals of land. It comprises general engineering shop, rolling mills, submersed accessories shop, general maintenance shop, general machine shop, and an electric sub-station. PECO Unit IV This unit occupies 44 kanals of land. It comprises power loom shop, pumps manufacturing shop, design office and an administration block. PECO Unit V This unit occupies 36 kanals of land. It comprises machine tool shop, slow-speed diesel engines shops and central tool room. PECO may allow use of its brand name for products under its company license.	Properties of Republic Motors Limited Parcel 1 at Lahore — 42 kanal plot located at 87 Shalimar-e-Quaid-e-Azam. A three storey building alongwith a workshop are present within the premises. — 4.5 kanal vacant plot at 275 Jail Road near Sherpas Bridge, Lahore. Parcel 2 at Karachi — Al-Haroon Building on Garden Road, Karachi on a plot of 4,400 sq. yds. — Ownership claim on a 2 acre plot of land No. 9-86 in S.I.T.C. Karachi. Ravi Engineering Ltd. Kalashah Kaka Facility for general engineering and fabrication of thin gauge vessels and drums. National Petrocarbon Ltd. Pipri, Karachi Carbon black manufacturing plant in Pipri Industrial area, Karachi. The rated capacity is 8,700 tonnes per annum. Maharwal Collieries, Distt. Mianwali Produces superior quality coal in Pakistan. Production for the year 1993-94 was 36,000 tonnes. The geological estimate of coal reserves is 23 million tonnes.

There will be no restriction on the sub-investment of assets for the buyer in respect of all units (except National Petrocarbon Limited) subject to the condition that the sale proceeds of assets are deposited with the Privatization Commission for adjustment against the balance payable by the buyer.

Those who wish to participate in the bidding will be required to deposit earnest money of Rs. one million for each unit/property (except for Ravi Engineering Limited) for which it is Rs. five hundred thousand in the form of Bank Draft/Pay Order in favour of the Privatization Commission, payable at Islamabad by 10.00 a.m. on the date of bidding or earlier. Deposit of earnest money is mandatory prior to bidding.

Detailed information memoranda, inspection to bidders and application forms etc. are contained in the Bidding Documents which can be obtained from Mr. Asad Waqar, Deputy Secretary in the office of the Privatization Commission on payment of Rs. ten thousand or equivalent in foreign currency through a Bank Draft/Pay Order in favour of the Privatization Commission, payable at Islamabad. The bidding documents are also available on payment of Rs. 10,000 at United Bank Limited (A/Fah Branch The Mall Lahore Phone: 326794) • Corporate Branch State Life Building No. 113 Chundrigar Road, Karachi, Phone: 241469, 2419303) and National Development Finance Corporation (Corporate Branch Ferozce & Toile Centre, Shalimar-e-Feroze, Karachi, Phone: 523337, 523240 • II Liaquat Ali Khan Road, Faisalabad, Phone: 76049, 29162 • The Mall Branch Shalimar-e-Quaid-e-Azam, Lahore, Phone: 630116, 630175-50 • State Life Building Quaker House, Multan, Phone: 74601, 40264, 70242).

Privatization Commission
 GOVERNMENT OF PAKISTAN
 S.A. Constitution Avenue,
 Sappers Admision Club Building, Islamabad Pakistan
 Telephone: 93-55-222245 Fax: 93-51-423276

A pre-bid conference will be held on 31st January 1995 at Holiday Inn Islamabad Hotel at 9.30 a.m. to facilitate better understanding of the bidding process and respond to the queries of the prospective bidders. Participation in the conference will be through special invitation in addition to those who may have purchased the bidding documents.

Separate bids in sealed covers are also invited for the following units/companies and related properties on "As is where is Basis":

1. Hamal Woollen Mills, Hamal, Distt Sibi
2. Nowshera Chemicals, Amargarh, Nowshera
3. Cotton Ginning Factory, Pirwahi, Distt Khanewal

Each offer can be submitted by 1100 hours on 30th January, 1995 alongwith an earnest money deposit of Rs. 500,000 in the form of Demand Draft/Pay Order in the favour of Privatization Commission Payable at Islamabad.

Interested parties can contact the Officers in charge of the units on all working days from 9.30 a.m. to 4.00 p.m. for details and to arrange inspection of the pertained properties.

The Tragic Story of Beco's Demise

Designed & Compiled By: Marshal Advertising

Supplement

The News International, Pakistan, January 12, 1996 5



TRAGIC STORY OF DEMISE OF PAKISTAN ENGINEERING INDUSTRY



BECO (BAYALA ENGINEERING COMPANY) INDUSTRIES RENAMED AS PECCO AFTER TAKE-OVER/NATIONALISATION IN JANUARY, 1972

1) BECO, once known as the symbol and the flag bearer of Pakistan metal engineering industry, was started in Batala (India) in 1919 by a handful of men of vision, prominent among whom were late C. M. Latif who belonged to an agriculturist family, his superior work his brother in 1929 saw one Mr. Ram Lal then Director of industries Punjab was told that they want to industrialise India. The result was the start of soap factory in Batala which later failed.



An industrialist Latif (center) with other dignitaries of Batala being shown around BECO Works at Batala (India) in 1929 by C.M. Latif (left).

2) Industrialisation was no easy task. But the ten determination, imaginative genius and creative hand work of Mr. C. M. Latif ultimately overcame all odds and Batala Engineering Co. Ltd. (BECCO) was born with Mr. C. M. Latif, as Chief promoter and Managing Director in 1932/33. While his brother was getting naval training in England and became first Naval Officer in Indian Navy later on port captain Commander-in-Chief of Pakistan Navy who is known as Mr. H.M.S. Chaudhry.

3) It was a humble beginning for a pioneering industry which literally started from the scrap. The company started work on a building comprising two rooms and a veranda on Grand Truck Road Batala. The odds were heavy, lack of financial resources, absence of technically trained manpower, etc. But these short comings were more than overcome by the pioneering zeal, super human hard work and single-minded devotion to work displayed by Mr. C.M. Latif and his associates.

4) The progress made by BECO was simply phenomenal. In a few years time BECO ranked as one of the three top machine-tool manufacturers in India and orders poured in from as far as Calcutta, Madras and Bombay. The company reputation as producers of machine-tools stood so high that half of the Wagner Plant obtained by the Government of India in part of war reparations from Germany was allotted to BECO.



Members of the Machine Tool Plant with Prime Minister Jawahar along their visit to BECO Works Batala (India) (left) Right to Left: (standing) Mr. R. Lal, Mr. C.M. Latif, Mr. P.N. Sah, Mr. Laxmi Prasad Narayan, Prime Minister Jawahar, Mr. S.N. Karandh (Director of Industries of undivided Punjab), Mr. J. Singh, Director General Industries in undivided Punjab, Mr. H.M. Chaudhry in third row from right.

5) On August 14, 1947, independence came, and Batala, like the rest of the Indian Punjab, became a scene of great anti-Muslim carnage. BECO's main concern was to ensure the safety of its engineers, workers and Muslim citizens living in Batala and its suburbs. BECO's premises became Batala refugee camps and its management along with its workers hurried up to save Muslims killed by Sikh casters in single days.

6) BECO like other Muslim refugees had lost everything but for nothing was dear than freedom. It is worthwhile to mention that its audited financial sheet submitted to High Court Judge judge for period ending 31.06.1948 was Rs. 5,117 Crores before tax. BECO once known as the symbol and the flag bearer of Pakistan Metal Engineering Industry.

7) Beginning from scratch in Badami Bagh, Lahore, BECO so marshalled its resources and worked with such dedication and enthusiasm that by 1971 it had literally become an industrial giant, a proud symbol of Pakistan's growing industrial might and a glittering signpost on the road to a bright industrial future. BECO with two works, one at Badami Bagh and the other at Kat Lakhpur, produced the much awaited industrial revolution in Pakistan. BECO made a wide range of products known for their high quality and reliability.

STOP PRESS

Readers, specially shareholders, please read carefully, also last lines Para-12. Before these unchangeable facts publication, one is greatly depressed to read Business Reporter of 14 January, 1996 about Badami Bagh Works Land bidding in Islamabad. Privatization Commission under umbrella of Cabinet Committee on Privatization Government of Pakistan (CCOP) though controlled by it, has now received the highest bid of Rs. 361 million by one unknown party (M.S. Company) for land measuring 266-65 Kanals. NESPAK, two years ago, under the instructions of Privatization Commission, Ministry of Finance, Government of Pakistan, assessed this land at Rs. 799-55 million at the rate of Rs. 3 million per kanal. Market price is now reported 20-30% higher range. The unknown buyer will sell at an double the price of even many because of its prime location, specially BECO's name situated near Badami Bagh into market. One is greatly perturbed to read details of the bidding as handled by Privatization Commission, specially in view of its loudly repeated claims of transparency. One looks on helplessness and is sure and disquiet as valuable national assets like BECO are being dismantled piece by piece and destroyed if this goes on, where will we end up?

including machine tools, power looms, irrigation pumps, diesel engines, steel rolling mills products, concrete mixers, sugar mills, chemical plants, broilers, electric motors, etc. By the 1960s, there was not a single industrial unit in Pakistan which was not using BECO machine tools conforming to international standards. BECO made power looms played a significant role in the country.

8) Future gains included manufacture of Textile Machinery. For making textile machinery BECO entered into technical tie-up with Toyota of Japan. Finance was arranged from FC Washington who sent a representative to visit Toyota works in Japan for the purpose of disbursing the finance.

BECO had 6000 workers on its rolls and was very near to its goal of employing 10000 workers.

9) An enlightened employer of a large industrial force, BECO had 6000 workers on its rolls and was very near to its goal of employing 10000 workers. BECO established new standards of excellence in the field of labour relations.

If had gathered enough know-how to start the manufacture of sophisticated electronic equipment, BECO at the height of its productive efficiency was entering the export field. It had successfully exported machine tools to Australia and pumps to Houston, U.S.A.

10) BECO was a unique organization whose impact was felt in the entire gamut of productive activity in Pakistan industry, agriculture and development work. An undoubted leader in the product and capital goods industries, BECO with its vast complex of plants manufacturing heavy metal structures, to agricultural implements to bicycles, strengthened the common man's life. BECO was a pride industrial organization of Pakistan and a national asset in the true sense of the word of its products. What is more, it was an apple of the eye of the national leaders and civil servants dedicated to the rapid industrialization of Pakistan.

Pakistan's premier national asset, suffered serious setback in January 1972 when the government ordered its take-over.

11) By 1971 it had literally become an industrial giant, and a glittering signpost on the road to a bright industrial future. It was truly a public limited engineering company with almost 6000 big and small shareholders. BECO, Pakistan's premier national asset, suffered serious setback in January 1972 when the government ordered its take-over. Since its nationalization BECO steadily declined and became a great national liability. Its production dwindled, its profits turned into dead loss, its works and plants decayed, over staffing led to bureaucratism and sapped its productive efficiency, it incurred huge debts and it became a deficit and such organization. An industry which had the potential of becoming the Krupp (German steel company) of Pakistan became moribund and degenerated into a heap of rubble and junk so much so that no bidder came to buy it was offered for privatization. Subsequently, it could not be even sold in bits and parts, its machinery and gigantic sheds having been dismantled by successive governments. Badami Bagh Works now totally dismantled its land will probably be sold as real estate.

PECCO's latest Balance Sheet Shows an accumulated loss of 761,575 Million, besides invisible and camouflaged liabilities.

12) In October, 1971, an offer by General Zia-ul-Haq to the previous management to run the organization was declined on the condition that all other industrial concerns should also be dismantled simultaneously. Since 1987, as the affairs were going from bad to worse, serious efforts were made to revive it, by the former management in the private sector. Later on even as a joint venture together with successive governments. But also these efforts did not come to fruition for various reasons.

13) Before takeover BECO's fame as the moving spirit behind Pakistan's rapid industrialization spread to foreign lands. Foreign dignitaries visiting Pakistan made it a point to visit BECO's vast complex of plants and works. Besides Prime Minister, Mr. Chao En Lai, Prime Minister of China and President Jassir Nasser of Egypt visited BECO's Badami Bagh Works. Their remarks in the Visitors' Book are a living testimony to the international standards of industrial efficiency achieved by BECO (some pictures of the dignitaries and their comments appear below).

A pioneering industry which literally started from the scrap.

14) This, in a nutshell, is the story of decline and death of Pakistan's premier engineering industry. Let us all, as a mark of respect, shed a few silent tears over this national tragedy. Born 1933 (Batala, India), Reborn/revived 1972 (Lahore Pakistan).

Mr. Chao En Lai, Prime Minister of China and President Jassir Nasser of Egypt and Pakistan's many past Presidents and Prime Ministers visited BECO's Badami Bagh Works.



Mr. Chao En Lai (Grouping Head of Mr. Minister Latif of Mr. Latif) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Jassir Nasser (right) Mr. Chao En Lai (center) the then Governor West Pakistan in center (far right).

ENGLISH TRANSLATION OF CHINESE-CHINESE REMARKS WRITTEN IN CHINESE

"We have visited a very good engineering factory. We would send a delegation of Chinese Technicians to your factory to study and to learn. I believe we can learn things that are helpful to us. I wish Long live the friendship of the people of China and Pakistan."

Mr. CHAO EN LAI
Prime Minister

27th Dec. 1958, Lahore



Mr. Chao En Lai (Prime Minister of China) with Mr. Latif (center) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Jassir Nasser (right) Mr. Chao En Lai (center) the then Governor West Pakistan in center (far right).



Mr. Jassir Nasser (President of Egypt) with Mr. Latif (center) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Chao En Lai (right) Mr. Jassir Nasser (center) the then Governor West Pakistan in center (far right).



Always together with the Prime Minister of Pakistan, right: Mr. Jassir Nasser (President of Egypt) and Mr. Chao En Lai (Prime Minister of China) visiting BECO's Badami Bagh Works (left) Mr. Jassir Nasser (right) Mr. Chao En Lai (center) the then Governor West Pakistan in center (far right).



Right: Mr. Jassir Nasser (President of Egypt) and Mr. Chao En Lai (Prime Minister of China) visiting BECO's Badami Bagh Works (left) Mr. Jassir Nasser (right) Mr. Chao En Lai (center) the then Governor West Pakistan in center (far right).



Mr. Chao En Lai (Prime Minister of China) and Mr. Jassir Nasser (President of Egypt) with Mr. Latif (center) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Chao En Lai (right) Mr. Jassir Nasser (center) the then Governor West Pakistan in center (far right).



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Mr. Chao En Lai (Prime Minister of China) and Mr. Jassir Nasser (President of Egypt) with Mr. Latif (center) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Chao En Lai (right) Mr. Jassir Nasser (center) the then Governor West Pakistan in center (far right).

Mr. Chao En Lai (Prime Minister of China) and Mr. Jassir Nasser (President of Egypt) with Mr. Latif (center) and other dignitaries visiting BECO's Badami Bagh Works (left) Mr. Chao En Lai (right) Mr. Jassir Nasser (center) the then Governor West Pakistan in center (far right).



BUSINESS RECORDER

Price Rs 5

Editor: M.A. Zuberi

Karachi, Monday 21 August 1995, 23 Rabiul Awwal 1416

Badami Bagh Works privatized in 9 packages, 5 parcels

SADQAIN IMAM
LAHORE: The Privatization Commission finally managed to liquidate the Badami Bagh Works of Pakistan Engineering Company (Peco) on Sunday at the Lahore Chamber of Commerce and Industry where nine packages of the plant/machinery and five parcels of lands have almost

been sold out at about Rs. 234.375 million. The bidders of the dismembered Peco Badami Bagh Works have been required to pay five percent of the highest bid for each parcel or package within seven days of the acceptance of the bid, 21 percent within 42 days, 14 percent within 48 days and the remaining 60 percent

through a bank guarantee for three years. The Badami Bagh Works which once was believed to have an estimated value over Rs. 900 million, now stands sold out at Rs. 230.375 million. It is interesting to note that the government had been pressing all bidders to accept all liabilities and labour along with the units that PC

privatized. However, in the case of Peco Badami Bagh Works, the condition of accepting liabilities and labour has been waived. Moreover, the once a great engineering unit of the country, which manufactured several engineering items for Wapda and Railways, has been privatized in such a manner that its

potential to manufacture large items would come to an end. Some packages of plant/machinery have been auctioned out hardly 25 percent above the earnest money of the parcel and some even below the earnest money. The real estate parcels of land, apparently elicited a better price during the open bidding, which, however,

was — less than the market value of the land in that industrial town of the provincial metropolis. According to a source details of the auctions of packages are as follows: PACKAGE 1 — Earnest money: Rs. 500,000; highest bid Rs. 2.5 million and the bidder is Haji Maqsood and Brothers. This package includes machinery and equipment from: hardware and heat treatment, electrical maintenance shop, hot forging and press section, and technical school.

plant and machinery installed in cast iron factory; wood pattern shop; fire brick shop; and metal pattern shop. PACKAGE — Earnest money Rs. 100,000 highest bid Rs 1.5 lakh and the bidder is Maqsood. This package includes left-over machines of fabricating shop; compressor stations, complete

> P 12 Col 4

INTERNATIONAL THE NEWS



PRIVATIZATION COMMISSION OFFERS THE ASSETS (LAND & STRUCTURES, MACHINERY & EQUIPMENT) OF BADAMI BAGH WORKS OF PAKISTAN ENGINEERING COMPANY (PECO) LAHORE, FOR OUTRIGHT SALE ON AS IS WHERE IS BASIS.

PLANT & MACHINERY

THE FOLLOWING PACKAGES WILL BE AUCTIONED THROUGH SEALED TENDERS.

Package-1 (Earnest Money Rs. 500,000)

Includes plant and machinery installed in:

* Cast Iron Foundry * Wood Pattern Shop

* Fire Brick Shop * Metal Pattern Shop

Package-2 (Earnest Money Rs. 100,000)

Includes left-over Machines of fabricating shop.

Compressor Station, complete with Air-reservoir & Compressors.

Package-3 (Earnest Money Rs. 500,000)

Includes machinery and equipment from:

* Hardware & Heat Treatment * Electrical Maintenance Shop

* Hot Forging & Press Section * Technical School

Package-4 (Earnest Money Rs. 500,000)

Includes Machinery & Equipment for Hot Rolling Mills

(Capacity 8", 14", & 16") also included in this package are supplies of Rolling Mills Parts.

Package-5 (Earnest Money Rs. 500,000)

Includes machinery and equipment from:

* General Maintenance Shop * Power Loom Shop * General Machine Shop

This package also includes machinery & tools for the manufacture of power looms upto 120" width.

Package-6 (Earnest Money Rs. 500,000)

Includes machinery and equipment from:

* Machine Tool Shop * Central Tool Room

This is the largest collection of basic & special purpose imported machines tools.

Package-7 (Earnest Money Rs. 500,000)

Includes all machines and necessary tools, equipment, parts & patterns for production of S.S.D. engines.

Package-8 (Earnest Money Rs. 500,000)

Contains a well balanced set of machines for the production of HSD engines on cost competitive basis. The package also includes equipment needed for production of high speed diesel engines.

Package-9 (Earnest Money Rs. 100,000)

This package contains machines of misc. nature which are available in the factory as a whole. Located at various points.

LAND & STRUCTURE

THE FOLLOWING PARCELS WILL BE SOLD THROUGH OPEN BIDDING.

(Earnest money for each parcel will be Rs.2 Million)

PARCEL-1

Land Area 56,734 Kanals (Covered Area 177,300 Sq. Ft.)

Cast Iron Foundry, Pattern Shop & Store, Fire Brick Shop, Fire Brick Store, Maintenance Shop for cast iron foundry & Fire Brick Shop.

PARCEL-2

Land Area 41,079 Kanals (Covered Area 136,500 Sq. Ft.)

Main Store, Heat Treatment Section, Technical School, Electrical maintenance Shop Forging Shop, Structural Division, Sheet Pressing Shop, Galvanizing Plant Shop.

PARCEL-3

Land Area 65.39 Kanals (Covered Area 257,200 Sq. Ft.)

Maintenance Shop (Old Millwright Shop), Tubework Section, Defence Cell Shop (Old Agricultural Shop), General Machine Shop, Open Yard, General Engineering Shop, Steel Foundry, Cast. Machinery Rolling Mills, Employee Quarters (Cycle Stand.)

PARCEL-4

Land Area 41.45 Kanals (Covered Area 136,400 Sq. Ft.)

Packing despatch & spare parts department, Extra Shed, Pump Division, Textile machinery Division, Main Office & Design Dept., Time Office & Dispensary, PECO main Office (Old Railway Staff Office), Car & Shed, Ironed Pump Shed, Power Loom Forging Shed.

PARCEL-5

Land Area 39,535 Kanals (Covered Area 127,500 Sq. Ft.)

Finished parts store, Machine Tool Division, Diesel Engine Division (Slow Speed), Diesel Engine Division (High Speed) Central Tool Production, Planning & Control Dept., Quality assurance & control.

A prebid conference has been scheduled at the premises of Lahore Chamber of Commerce and Industries, 11-Shahrah-e-Ahwan-e-Tijarat, Lahore on Wednesday, 16th August, 1995 at 10.30 a.m.

The auction for the assets will be held on Sunday, 20th August, 1995 at 2.00 p.m. at the same premises.

TERMS & CONDITIONS

* The bidders will have the option of combining any of the parcels and packages. * Assets will be sold without any financial liabilities and without employees.

* The Information Memorandum, detailed list of machinery and equipment and Bidding Documents can be obtained from office.

Deputy Secretary (Industrial) - PRIVATIZATION COMMISSION
Export Advisory Cell Building, S.A. Constitution Avenue, Islamabad. Tel: 92-51-222245, 826657, 222244. Fax: 92-51-222440, 823076.

Mr. Azam Iqbal - Controller of Accounts - PAKISTAN ENGINEERING COMPANY (PECO)
6 Ganga Ram Trust Building, Shahdara-Quaid-e-Azam, Lahore. Tel: 7202215-21 Fax: 7212108

Benazir's Government, People's Government has made privatization process transparent



**Privatization Commission
GOVERNMENT OF PAKISTAN**
Export Advisory Cell Building, S.A. Constitution Avenue, Islamabad
Phone: 92-51-222445 Fax: 92-51-823076

Above and on the right is what the newspapers reported the outcome of the sale (not privatization) as per the ad given in the "The News" reproduced on the left.

If the sale figures are added up the result is as follows and as reported by the press at million 234.375 rupees as of the year 1995.

This is what the Pakistan Government was capable of doing, i.e. destroying 40 years of hard work to be sold in small pieces of real estate and scrap machinery or did they?

NO, AT LEAST AT THIS STAGE THEY WERE NOT SUCCESSFUL.

The next pages reveals what happened.

Badami Bagh Works privatized

> from page 1

with air-reservoir and company.

PACKAGE 3 — Earnest money: Rs. 500,000; highest bid Rs. 2.5 million and the bidder is Haji Maqsood and Brothers. This package includes machinery and equipment from: hardware and heat treatment, electrical maintenance shop, hot forging and press section, and technical school.

PACKAGE 4 — Earnest money: Rs. 500,000 highest bid 300,000 only and the bidder is Haji Maqsood and Brothers. This package includes machinery and equipment for hot rolling mills (capacity 8", 14", and 16") also included in this package are supplies of rolling mills parts.

PACKAGE 5 — Earnest money: Rs. 500,000 highest bid Rs. 5.5 million and the bidder is Asif Brothers. This package includes machinery and equipment from general maintenance shop, powerloom shop, general machine shop. This package has machinery and tools for the manufacture of powerlooms upto 120" width.

PACKAGE 6 — Earnest money: Rs. 500,000; highest bid for (A) is Rs.2.5 million and the bidder is Novelty Enterprises; while the highest bid for (B) is Rs. 2 million and the bidder is Asif Brothers. This package includes machinery and equipment from machine tool shop, central tool room. This is the largest collection of basic and special purpose imported machine tools.

PACKAGE 7 — Earnest money: Rs. 500,000; highest bid Rs. 1.7 million and the bidder is Ch. Barkat Ali. This package includes all machines and necessary tools, equipment, parts and patterns for producing of S. S. D. engines.

PACKAGE 8 — Earnest money: Rs. 500,000; highest bid for (A) is Rs. 2.8 million and the bidder is Ch. Barkat Ali while the highest bid for (B) is Rs. 2 million and the bidder is Novelty Enterprises. This package contains a well-balanced set of machines for the production of HSD engines on cost competitive basis. The package also includes equipment needed for production of high-speed diesel engines.

PACKAGE 9 — Earnest money: Rs. 100,000; highest bid Rs. 1.25 lakh and the bidder is

Ch. Barkat Ali. This package contains machines of miscellaneous nature which are available in the factory as a whole, located at various points.

Total money for nine packages is Rs.24,375 million. PARCEL 1 — Highest bid is Rs. 20 million, and the bidder is Maqsood Brothers. Land area 56,294 kanals (covered area 177,700 square feet) cast iron foundry, pattern shop, and store, fire brick shop, maintenance shop for cast iron foundry and fire bricks shed.

PARCEL 2 — Highest bid is Rs. 21 million and bidder is Maqsood Brothers. Land area 43,979 kanals (covered area 176,500 square feet). Main store, heat treatment section, technical schools, electrical maintenance shop, forging shop, structural division, sheet pressing shop, galvanized plant shed.

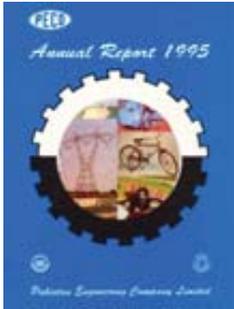
PARCEL 3 — Highest bid is Rs. 77 million and bidders was Chaudhry Rafiq. Land area is 65.39 kanals (covered area 257,200 square feet) maintenance shop (old millwright shop), tubewell section, defence cell store, (old agriculture store) general machine shop, open yard, general engineering shop, steel foundry, construction machinery rolling mills, employees quarters, cycle stand.

PARCEL 4 — Highest bid was Rs. 55 million and bidder was Asif Enterprises. Land area 41.45 kanals (covered area 136,400 square feet). Packing despatch and spare parts department, extra shed, pump division, textile machinery division main office and design department, time office and dispensary, Peco sales office (old railway staff office), car and shed, petrol pump shed, powerloom fettling shed.

PARCEL 5 — Highest bid was Rs. 37 million and bidder was Chaudhry Barkat Ali. Land area 59,535 kanals (covered area 187,500 square feet). Finished parts store, machine tool division, diesel engine division (slow speed), diesel engine division (high speed), central tool production, planning and control department, quality assurance and canteens.

The bidding was conducted by Member (Account) P. C. Syed Shahid Islam, Member Laeeq Ahmad, Secretary, P. C. M. Zubair Kidwai and Deputy Secretary Anwar Hafeez.

Pakistan Government Turns A Land-Grabbing Organization



Cover Page

Chairman's Review of the annual report 1995, under Operations reported:-

The Privatization Commission advised the Company to close down Badami Bagh Works (BBW) on 22nd March, 1995 for disposal.

Under the heading Government Bonds is reported:-

The Bonds of Rs. 787 million issued by Government to the Banks were maturing on November 30, 1995. The Ministry of Finance was, therefore, approached to extend the period for another year, **because BBW assets could not be disposed off due to offers of low prices. The BBW land is now being vacated completely for disposal, as advised by the Privatisation Commission.**

WHAT THEY DID NEXT IS AS FOLLOWS, which will be compared in the next pages with the latest position.

CLOSURE AND SHIFTING OF PLANT AND MACHINERY FROM BBW

After the closure of BBW in March, 1995, the Board of Directors decided to shift plant and machinery of pumps manufacturing, general engineering/fabrication and structure division from BBW to KLP along with relevant stocks and stores in order to execute the orders of pumps in-hand valuing Rs. 40 million and make KLP self-sufficient. The machinery thus shifted has already been installed and put to operation. The employees of these divisions, who had not opted for VSS, have also been transferred to KLP. **The Privatisation Commission has now desired that the BBW land may be vacated completely for disposal.** The Board has decided to carefully select the machines which can be put to productive use at KLP with a view to make it a composite engineering unit. **The remaining machines were to be disposed off and the vacant land free from all encumbrances, was then to be handed over to the Privatisation Commission for disposal.**

From the above it becomes absolutely clear that the Pakistan Government became a land grabbing organization.



Cover Page

Chairman's Review of the annual report 1996, continues to remark on Badami Bagh Works as follows:-

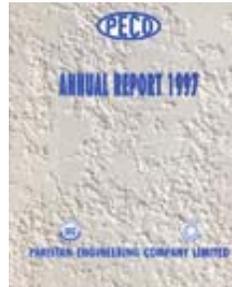
The Privatization Commission due to poor response from the buyers during attempts for sale of assets of Badami Bagh Works, reviewed the plans for shifting of plant and machinery to Kot Lakhpat. Accordingly all

production machinery, equipment and steel structures

have now been shifted safely from Badami Bagh to Kot Lakhpat Works. Thus Company's total productive assets are intact. The machinery has since been mostly re-installed. The rest is in advance stage of erection. The efforts made by the management to reinstall the machinery, at most economical cost, without any waste or damage, in the minimum possible time and simultaneously avoiding any serious disruption of production activities, has been remarkable.

Funds for this purpose were provided by the Privatization Commission as per cabinet decision.

The shops which were dismantled at Badami Bagh and have since started production at Kot Lakhpat Works include: pumps, structure and general engineering shops. The machine tools, power looms, rolling mills, and foundry are also near completion. The unification of production facilities at one site had been previously recommended by foreign as well as local consultants also, which has now been implemented. It will facilitate better management of the operations and help in reducing costs.



Cover Page

Chairman's Review of the annual report 1997, continues to remark on Rehabilitation as follows:-

REHABILITATION

The implementation of 'Rehabilitation Plan', approved by the Government, has entered into final stage of its completion.

Machine Tools Division and Power Looms Division which were under erection last year, have been completed and production in these divisions has also started. Rolling mills and foundry shall be completed during the current year. Due to paucity of funds, there has been some delay in the completion of these shops,



Cover Page

Chairman's Review of the annual report 1998, continues to remark on the progress of machinery shifting:-

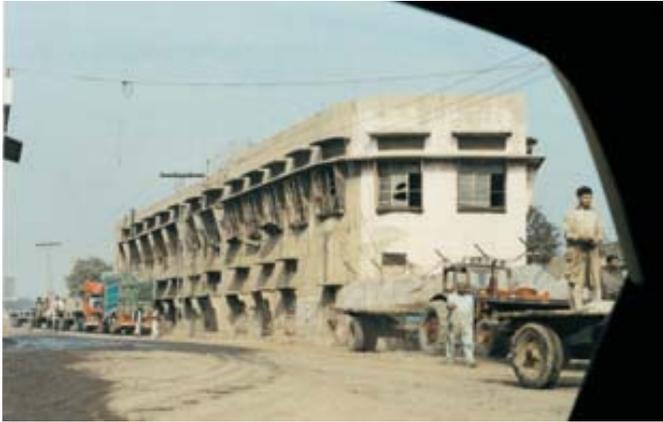
PROGRESS OF MACHINERY SHIFTING:-

The installation and erection of machinery and Steel Structure, as indicated in the last year's review, was in its final stage. During the current

year, rolling mills have been fully commissioned, while the cast iron foundry and pattern shop are in advanced stage of completion. As no further release of funds was made by the Government, installation of these shops is being carried out through Company's own resources.

After this year, no mention of "Rehabilitation" was made. Therefore, it is presumed Badami Bagh was completely re-installed at Kot Lakhpat during this year.

Photographic Evidence of Beco's Systematic Demolition during 1996-2005



The Privatization Commission Gets Active Again

In the year 1999, after a lapse of more than 4 years, since the previous attempt to sell Beco/Peco's assets in year 1995, the Privatization Commission again got active and placed an advertisement reproduced below.

Mr. C.M.Latif thought best again to approach the Judicial courts for relief, so that, the executive should follow the law laid down by themselves. A case was filled in the Lahore High Court, Lahore, against the privatization method, details on the following pages.

Invitation for Submission of

Expression of Interest "EOI"

PECO

Pakistan Engineering Company Limited

The Government of Pakistan invites **Expression of Interest (EOI)** from Local and International prospective investors for pre-qualification to participate in the privatisation of Pakistan Engineering Company Limited (PECO), Lahore-Pakistan.

Salient Features

- PECO, the most prestigious light engineering company in the country having production facilities for variety of equipment and machinery is being privatised on "as is where is" basis through sale of **approximately fifty six percent (56%)** shares of the company held by public sector entities and organisations.
- PECO's Kot Lakhpat Works is installed on **247 acres** of land. The works adjoining city of Lahore having all basic infrastructure facilities and support services including a railway siding required for a modern engineering set-up offers manifold opportunities to prospective investor in the field of light engineering.
- The company also owns, approximately **260 Kanals** of vacant land at a prime location of **Badami Bagh Lahore**.
- PECO's product range include **Transmission line towers upto 500 KV, diesel engines, electric motors, power-looms, irrigation pumps, concrete mixtures, machine tools, bicycles and steel rolling mills products**. Infrastructure facilities are available under one roof to manufacture wide range of

light engineering goods and general fabrication including sugar and chemical plants, railway fuel tank wagons, canal and barrage gates and large capacity oil storage tanks.

Please Note the Following

Interested business houses having credentials or interest in the engineering field may submit EOI along with their profile on the prescribed format with a **non-refundable processing fee in the amount of Rs.20,000 or US\$ 500** in the form of a **bank draft/pay order payable at Islamabad in favour of Privatisation Commission, Government of Pakistan** at the address given below in a sealed envelope clearly marked: "Expression of Interest for PECO" latest by **1500 hours, Wednesday 24th February, 1999**.

An executive summary on the features of PECO along with information Memorandum and format for expressing interest is available on the **WEB site of Privatisation Commission (PC)**. The hard copies are also available at the office of PC at a price of **Rs. 1,000**.

The dates for data room and site visits, pre bid conference and open bidding shall be intimated to pre-qualified parties by **Saturday 27th February, 1999**. The bid documents shall also be made available by the same date.

The bidding shall be conducted through a two-tier process. First the prospective investors shall submit their sealed bids. The first five highest bidders will be pre-qualified to participate in the open bidding.

Financial Advisors, SIDAT HYDER MORSHED Associates, Management Consultants
Yousaf Islam House 39 Link, Faridkot Road Lahore, Pakistan Phone:(92-42) 7236169-70, Fax:(92-42) 7236166

For further details please contact: Saquib Mohyuddin, *Consultant*



Privatisation Commission

Government Of Pakistan

5-A, Constitution Avenue, EAC Building, Islamabad, Pakistan. Tel # (92-51) 9203881, 9205146. Fax # (92-51) 9203076, 9211692.
e-mail: pcpak@meganet.com.pk

Visit Our Website at: <http://www.privatisation.gov.pk>

Some paper clippings are also reproduced below about the true picture of the situation, followed by extracts of the High Court case on the next page.

Transparent Privatisation of

- 1) Federal Lodge Chamba House, Lahore
- 2) National Tubewell Construction Company
- 3) Pakistan Engineering Company

Today Live on PTV

The transparent process of privatisation for the nation to see for itself LIVE on Pakistan Television Network.

Witness the Live Proceedings

On Friday, April 09, 1999, at 10:30 a.m.
From the Auditorium of Pakistan Television Islamabad Centre

Media Department
Privatisation Commission
Government Of Pakistan

U.S. Corporation House, 4-2, Building, Islamabad, Pakistan. Tel # 201-11100 11101 Fax # 201-11100 11102
www.privatisation.gov.pk

Visit Our Website At: <http://www.privatisation.gov.pk>

NEWS PAPER CUTTING
DAILY DAWN LAHORE
DATED 13TH APR, 1999

Privatization chief rejects former PECO owner's claim

By Our Staff Reporter

LAHORE, April 12: The Privatization Commission chairman, MNA Khawaja Muhammad Araf, has called for summary dismissal of a writ petition filed by former owners of the Pakistan Engineering Company Limited against its sale to a third party.

C.M. Latif and his daughter, Nighat Waseed, had stood in their petition that the company was established by their family before partition at Batala and was called BECO. It was shifted to Pakistan and was the premier machine tool factory at the time of its ill advised sale-over in early seventies. The government had acquired only 35 per cent of its shares but was now offering 56 per cent shares.

The petitioner said that they, as original owners, had a prior right to buy the company's shares. They will be reduced to the position of minority shareholders without any say in the company's affairs despite their considerable shareholding and endeavour in promoting it.

Khawaja Araf said the first option to an original owner was not a binding provision of the Transfer of Managed Establishment (Amendment) Act, 1991. There was no bar on the transfer of the shares of the company held by other bodies or individuals. The total number of shares currently held by various persons was about 5.69 million. In order to attract buyers requisite number of shares had to be offered to them to enable them to acquire the company's control.

ORDINANCE XXXIII OF 1991

TRANSFER OF MANAGED ESTABLISHMENTS (SECOND AMENDMENT) ORDINANCE, 1991

An Ordinance further to amend the Transfer of Managed Establishments Order, 1978

[Gazette of Pakistan, Extraordinary, Part I, 25th August, 1991]

4. Transfer of shares and proprietary interests, etc.—(1) If the Federal Government considers it necessary in the public interest to transfer the shares or proprietary interests in respect of a managed establishment acquired by it under Article 7-B of the said Order, the Federal Government may, through a public advertisement, invite bids for the transfer of the shares or proprietary interests.

(2) On receipt of bids in pursuance of an invitation under clause (1), the Federal Government shall offer the transfer of the shares or proprietary interests to the persons specified in the Schedule on the highest bid so received and on such terms and conditions as it may deem fit:

Provided that it shall not be necessary to make such an offer to the persons specified in the Schedule in case the highest bid has been made by the employees of the managed establishment.

(3) If the persons specified in the Schedule do not accept the offer made under clause (2) within a specified time the Federal Government may transfer the same to such persons, and on such terms and conditions, as it may deem fit.

(4) In case of transfer of shares or proprietary interests in respect of a managed establishment under clause (2) or clause (3), the provisions of Articles 5, 6, 7, 8, 9, 10 and 11 and the Schedule to this Order shall not apply.

How conveniently even the Chief of Privatization Commission flouts the law in his interpretation, when as reproduced on the right, the amended section of the Transfer of Management is clear regarding the first right of refusal.

BUSINESS RECORDER

Karachi, Saturday 10 April 1999, 22 Zilhij 1419

No bid for Peco

Chamba House offered Rs 188m, NTCC Rs 6.96m

No bid for Peco

ISLAMABAD: The Privatization Commission (PC) received highest bids of Rs 188 million for Chamba House, Lahore, and Rs 6.96 million for National Tubewell Construction Company (NTCC) as it offered, after a gap of almost one year, three entities for sale through open bidding which was witnessed live on Pakistan Television (PTV) on Friday morning.

PC chairman Khawaja Araf, who presided the proceedings, at the end of the bidding said that the response was "although not ideal but satisfactory". He said that the decision to accept or reject the offers would be made keeping in mind the prevailing market forces. Reference price factor would be taken into consideration, he added.

The offers would be placed for approval before the committee of the Privatization Board, headed by Finance Minister Ishaq

The City Schools and Haji Abdul Sattar turned out to be the highest bidders with Rs 1.35 million per kanal for Chamba House and Rs 1.32 per share for NTCC, respectively.

However, Pakistan Engineering Company (PECO), despite the fact that PC had organized a number of road shows for its resale, failed to fetch any price at all as the lone bidder did not offer any price for the industrial sector carrying Rs 1.5 billion liabilities. The bidding for the engineering company was held for the second time.

The only party—Buland Builders—which had deposited earnest money for the bidding, instead of making offer asked the Commission to negotiate a price. The conditional offer of the party would be considered by the Commission in its meeting to be held on Saturday. The potential investor has asked the

PC Chairman, talking to a group of journalists at the end of the process, stated that the response from the bidders had been "not ideal" but under the prevailing market conditions it could be stated as "satisfactory". He was of the view that keeping in mind the current economic situation of the country, a better response was not possible.

He attributed the present deteriorated position of the Peco to nationalisation decision and said that those industrial units which contributing to the economic development later added losses to it.

It is important to note, as no bid was offered for Beco/Peco, but PC was ready to negotiate with the party, which did not offer any bid price.

Never approached the original owners, with such accommodative gesture, even though they had shown their willingness through various letters and advertisements, already reproduced in this book.

BUSINESS RECORDER

Karachi, Friday 23 April 1999, 6 Moharram 1420

PC recommends highest bid for Chamba House

RECORDED REPORT ISLAMABAD: The Privatization Commission (PC) has recommended for approval the highest bid of Rs 188.822 million for the sale of Chamba House. The bid was offered by City School in an open bidding held here a few days back.

This recommendation was made at the 78th meeting of PC, held here on Thursday with Chairman Khawaja Araf in the chair.

The meeting considered the sole bid for the sale of Pakistan Engineering Company (Peco) from Buland Builders and formed a committee headed by PC member Lt General (Retd) Ghulam Saifur Butt to negotiate.

Earlier, the meeting confirmed the minutes of the previous meeting and reviewed the implementation status of the decisions taken for the privatization of upcoming transaction of various sectors.

PC members MNA Shahid Khaqan Abbasi, FIAC Chairman, Afzal Khan, OGECIL Chairman Lt. Gen. (Retd.) Ghulam Saifur Butt, PC Secretary Zafar Ali Khan, senior officials of Ministries of Water & Power, Industries, PM office Consultant and PC were present at the meeting.

The committee, comprising PM office consultant, Secretary Industries, representatives of finance division as well as PC, would submit its report by June 20.

The meeting considered the highest bid of Rs 2.32 per share from one Haji Abdul Sattar for the NTCC as unreasonable and recommended to return back this transaction to the Ministry of Water and Power for necessary disposal.

MNA Khawaja Araf said the privatization of public sector entities would bring a pleasant change in the overall economic activity of the country and would also improve the efficiency in the system.

There exists substantial interest for the privatization of major public sector entities, which indicates the investor's confidence in the economic policies of the government, he added.

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High Court Declines to Stay Peco Sell-Off

This was a Writ Petition and the Ground/Prayer was as follows:-

In view of the above submissions it is most humbly prayed that this honourable court be pleased to pass the following order that:

A. It be pleased to declare the Public Notice published on 29.01.99 in national dailies seeking expression of interest from the public, the terms and conditions thereof, the proceedings taken in pursuance thereto, the bid to be invited there under for Pakistan Engineering Company Limited (PECO), by the respondents, is without lawful authority and of no legal effect. The same be struck down.

B. It be pleased to declare also and direct that the respondent do not possess any lawful authority to proceed in the matter as impugned herein but to the extent of interest acquired and sought to be transferred in the manner provided under President's Order 1 of 1972 read with President's Order 12 of 1978.

It is also prayed that during the pendency of titled petition, before this august court, the respondents its officers, agents and all or any acting under the directions of the aforesaid be restrained from proceeding with the privatization of respondent no.3; status quo may be kindly ordered to be maintained till the issues raised herein are finally resolved by this honourable court.

THE JUDGE DID NOT ACCEPT THE RELIEF ASKED FOR AND PASSED THE FOLLOWING ORDER:-

12.5.1999 Mr. Shehzad Shaukat, Advocate, for the petitioners. Raja Muhammad Anwar, Advocate for respondents.

The petitioners are share-holders in Batala Engineering Company Limited, 17% share of which was taken over through Presidential Order 71 of 1972 on 3.1.1972. In terms of Section 7-B of the Economic Reforms (amendment) Ordinance, 1973 (Ordinance IVIII of 1973) the Government vide order dated 29.11.1973 acquired 34% share of the afore referred firm. On 16.9.1978, Presidential Order 12 of 1978 was promulgated which inter-alia provided for the return of the nationalized institutions Section-4 of the said Order provide as under:-

"The Federal Government may, if it

considers necessary in the national interest so to do, through a public notice offer to transfer the shares or proprietary interests in respect of a managed establishment acquired by it under Article 7 B of the said order, to the persons specified, as on the terms set out in the schedule".

2. Petitioners, learned counsel contends that as Government had acquired 17% share in 1972, it can offer for sale this extent of the share and not more and the action of the Government to sell 56% of the share of the said concern as an attempt to deprive the petitioners to purchase the same. It was further submitted that the respondent's act besides being motivated is violative of Section-4 referred to above. In support of submission made, learned counsel relief on Amin Ahmed and 31 others Vs. Ministry of Production Government of Pakistan, Islamabad

through Secretary and 3 others (PLD 1996 Karachi 27) and Calicon (Pvt) Ltd Vs. Federal Government of Pakistan and others (1996 M.L.D 705).

3. Learned counsel for the respondent on the other hand submits that petitioners are not exclusive owners of the 17.75% of the total share which was acquired in the year 1971. that Section-4 of the P.O. 12 of 1978 does not, in any manner, put any clog on the respondents, right to sell the remaining shares of which the Government and the Government runs institution are the exclusive owners.

4. Heard.

5. It is not denied that 56% of shares which are being by offered by the respondents for sale are exclusively owned by the Federal Government or by those leading institutions which are managed and controlled by it. The petitioners, shares which was acquired in the year 1973 is only a small fraction of the same. Section-4 of the Presidential Order 12 of 1978 to which reference has been made, does not in any manner curtail the power of the Federal Government to sell the property of which it is the exclusive owner.

6. This issue has already been settled by a judgement of Divisional Bench of this Court reports in 1996 M.L.D. 705 which view was upheld by the Hon.able Supreme Court in the same reported as 1994 S.C.M.R. 1758. During the course of arguments, learned counsel for the Privatization Commission submitted that the Commission is prepared to offer the entire shares for sale to the petitioners if it the wires of the process of sale of the shares in question can be objected to nor bonafides of the exercise can be assailed. There is no merits in this petition which is hereby dismissed.

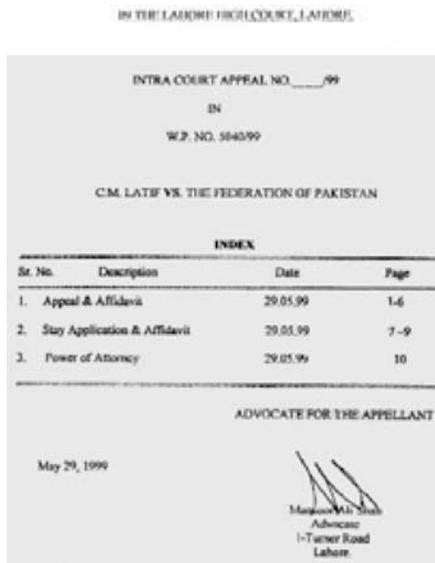
Sd/-

TASSADAQ HUSSAIN JILANI
JUDGE

Sd/-

TASSADAQ HUSSAIN JILANI
JUDGE

An appeal was filed with a simple prayer, against the single bench judgement already reproduced on the previous page. The appeal's cover page to the double bench and their judgement is reproduced below on the left, with a newspaper clipping on the right.



30.06.99 Syed Mansoor Ali Shah, Advocate for appellants. Kh. Saeed-uz-Zafar, Deputy Attorney General for respondents No.1 and 2. Mr. Saqib Mohy-ud-Din Project Manager PECO privatisation. Mr. Salman Akram Raja, Advocate for respondent No.3.

Learned counsel for respondent No.3 on instructions from the representative of the respondent states that shares shall be sold in open bidding and before the sale is finalised the acquired shares of the petitioners shall be offered to them in accordance with law.

This appeal is disposed of in these terms.

Sd/MALIK MUHAMMAD QAYYUM
Sd/JAWAD S. KHAWAJA.
JUDGES.

Though, the above judgment is not a relief to the single bench's order, yet the Privatization Commission stated in court, which the Judge has incorporated in his final order, that it only owns shares, which it will sell through open bidding.

The above also confirms with the observations which were made by Mr. C.M.Latif's lawyer, as per reported in the newspaper on 23rd June, reproduced on the right.

Like the case which was filed by Mr. C.M.Latif against the Privatization Commission in the year 1994 (page 247). In this case too after the ruling was given by the court, the Privatization Commission went ahead with their program of selling Beco/Peco's assets and again by nature's command they were not successful. See advertisements reproduced on the next page.

DAWN WEDNESDAY, JUNE 23, 1999

LHC declines to stay PECO sell-off

By Our Staff Reporter

LAHORE, June 22: The Lahore High Court declined on Tuesday to stay the auction of the Pakistan Engineering Company (PECO) on June 30 but decided to hear its original owners' appeal on June 29.

The appeal has been moved by Chaudhry Muhammad Latif and his daughter, Nighat Abdul Waheed, to challenge a single judge's dismissal of their writ petition against the auction of majority shares of the concern.

Originally known as Batala Engineering Company (BECO), C M Latif said he and his family established the concern before independence and it was the country's premier machine tool factory at the time of its take-over in early seventies.

The shares sought to be sold by the Privatization Commission, in fact, belong to them, they said.

A division bench comprising Justices Malik Muhammad Qayyum and Jawad S Khwaja issued notice to Deputy Attorney-General Khwaja Saeeduz Zafar for June 29 after hearing the appellants' counsel, Mansoor Ali Shah.

Advocate Shah submitted that the Privatization Commission planned to sell 56 per cent of the company's shares while the government had acquired only 19 per cent shares at the time of its take-over. The commission cannot sell what does not belong to it or the federal government, he said. Besides, he added, the original owners have a prior right on the purchase of the company's shares.

What followed instead was a succession of two advertisements (reproduced below) to sell Badami Bagh Works land. This was in total disregard to the Privatization Commission's statement in the Lahore High Court, Lahore, (see page 258).



GOVERNMENT OF PAKISTAN
PRIVATISATION COMMISSION

LAND FOR SALE

**BADAMI BAGH
LAHORE**

ON
"AS-IS-WHERE-IS"
BASIS

The Government of Pakistan (GoP) intends to sell the land of Pakistan Engineering Company Ltd., (Badami Bagh Works), Lahore, on an "as is where is" basis through a competitive bidding process.

The Privatisation Commission, Government of Pakistan invites interested parties to participate in the bidding for the purchase of land at Badami Bagh, Lahore.

SALIENT FEATURES:-

- The area of PECO Badami Bagh land is located in the South of Lahore Railway Station and in the North of Badami Bagh Railway Station. This is a commercial area, accessible by roads and railway siding.
- The site is ideally located in the heart of thriving steel market of Badami Bagh, essentially a single commodity market mainly steel and steel related business which supplies steel products throughout Punjab and up country. The site is also in the vicinity of Badami Bagh timber market.
- The land is being offered in Three lots, namely Lot A1, A2 and B. Lot A1 has an area of 19 Kanals 4 Marla 223 sq. ft, Lot A2 has an area of 4 Kanals 10 Marla 223 sq. ft, Lot B has an area of 13 Kanals 1 Marla, 173 sq. ft.

PLEASE NOTE THE FOLLOWING:-

- Property details will be available free of cost w.e.f. **Thursday 13 December 2001** from the offices of the Privatisation Commission, Islamabad and Mr. Imtiaz-ur-Rahim, Managing Director, PECO, 5/7 Ganga Ram Trust Building, Shahrah-e-Quaid-e-Azam, Lahore (Tel: 042-732-0225-7)
- Bidding Documents, including terms and conditions of sale and bidding methodology, will also be available from the office of the Privatisation Commission w.e.f. **Thursday 27 December 2001** during office hours between 08:00 and 15:00 hr on any working day against non-refundable payment of **Rs. 10,000 (Rs. Ten Thousand Only)** through Bank Draft or Pay Order in favour of "**Privatisation Commission, Government of Pakistan**", payable at Islamabad.
- Prospective bidders can visit the site from **Thursday 13 December 2001** during working hours on any working day on prior appointment with the Managing Director, PECO.

PRE-BID CONFERENCE AND BIDDING DATES:-

- A pre-bid conference will be held to facilitate a better understanding of the transaction and of the bidding process and to respond to the queries of the prospective bidders at the Privatisation Commission Islamabad on **Thursday 24 January 2002 at 11:00 hr.**
- The bidders will be required to deposit earnest money as per the Bidding Documents in the form of a bank draft / pay order **in favour of "Privatisation Commission, Government of Pakistan", payable at Islamabad, by 15:00 hr., Saturday 26 January 2002**, with the Privatisation Commission.
- Bidding will be held on **Monday 28 January 2002 at 11:00 hrs** in accordance with the manner described in the Bidding Documents.

For further details, information and clarifications, please contact:
Mr. Naesam Baig, Director General (I & T) or Mr. Karim Nayani Consultant at the following address:

**5-A Constitution Avenue, Experts Advisory Cell Building
Islamabad, Pakistan.**
Tel# (92+51) 921 6514, 920 5146-7,
Fax # (92+51) 920 3076, 921 1692
e-mail: info@privatisation.gov.pk

PRIVATISATION COMMISSION
Ministry of Privatisation
Government of Pakistan

Visit our website at: <http://www.privatisation.gov.pk>



GOVERNMENT OF PAKISTAN
Ministry of Privatisation
PRIVATISATION COMMISSION

LAND FOR SALE

BADAMI BAGH LAHORE
ON "AS-IS-WHERE-IS" BASIS

The Government of Pakistan (GoP) intends to sell a plot of land measuring 4 Kanals 10 Marla and 34 square feet, situated at Badami Bagh, Lahore. It is a piece of exchanged land, comprising Khassa No. 2845 measuring 8 Marla and 58 square feet, Khassa No. 2846 measuring 5 Marla and 17 square feet, Khassa No. 2847 measuring 3 Kanals 14 Marla and 218 square feet, and Khassa No. 2848 measuring 3 Marla and 591 square feet. The plot belongs to Pakistan Engineering Company Ltd. (Badami Bagh Works), Lahore, and will be sold on an "as is where is" basis through a competitive bidding process.

SALIENT FEATURES:-

- PECO Badami Bagh Works is located in the South of Lahore Railway Station and in the North of Badami Bagh Railway Station.
- This is a commercial area, accessible by roads and railway siding.
- The site is ideally located in the heart of thriving steel market of Badami Bagh, and in the vicinity of Badami Bagh Timber Market.

PLEASE NOTE THE FOLLOWING:-

- Property details are available free of cost from the offices of the Privatisation Commission, Islamabad and Mr. Imtiaz-ur-Rahim, Managing Director PECO, 5/7 Ganga Ram Trust Building, Shahrah-e-Quaid-e-Azam, Lahore (Tel: 042-7320225-7)
- Bidding Documents, including terms and conditions of sale and bidding process, are also available to the interested parties from the office of the Privatisation Commission w.e.f. **Monday 8 Mar 2002** during office hours on any working day against payment of non-refundable fee of **Rs. 5,000 (Rs. Five Thousand Only)** through Bank Draft or Pay Order in favour of "**Privatisation Commission, Government of Pakistan**", payable at Islamabad.
- Prospective bidders can visit the site during working hours on any working day on prior appointment with the Managing Director PECO.

PRE-BID CONFERENCE AND BIDDING DATES:-

- A pre-bid conference will be held to facilitate a better understanding of the transaction and of the bidding process and to respond to the queries of the prospective bidders at the Privatisation Commission Islamabad on **Monday 27 Mar 2002 at 12 noon.**
- The bidders will be required to deposit earnest money (Rs. 500,000), application form, etc. as per the Bidding Documents in the form of a bank draft / pay order **in favour of "Privatisation Commission, Government of Pakistan", payable at Islamabad, by 15:00 hr., Wednesday 29 Mar 2002**, with the Privatisation Commission.
- Bidding will be held on **Saturday June 1, 2002 at 12 noon** in accordance with the manner described in the Bidding Documents.

For further information / queries please contact:
Mr. Naesam Baig, Director General Tel: (92-51)9216514
Mr. A. Karim Nayani, Consultant Tel: (92-51)9205146

PRIVATISATION COMMISSION
Government of Pakistan
5-A, Constitution Avenue, EAC Building, Islamabad, Pakistan
Tel: 9205146-47 Fax: 9203076, 9211692 Web Site: <http://www.privatisation.gov.pk>
E-mail: info@privatisation.gov.pk

ORDER SHEET

LAHORE HIGH COURT, LAHORE

C.O.S. APPEAL/REVISION NO. 1 / 2002

Manzar Latif

VERSUS

The Privatization Commission etc.

APPELLANT
PETITIONER -
RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
	29.5.2002	<p>Mr. Intiaz Rasheed Siddiqui, Advocate.</p> <p>Let this suit be registered.</p> <p>2. Summons be issued to the defendants for 25.6.2002. The plaintiff to deposit the process fee and expenses for summons to be sent to the defendants through registered post A.D. for the said date.</p> <p style="text-align: center;"><u>C.M.No. 1/02</u></p> <p>3. Learned counsel contends that the proposed auction of the assets of the managed concern are being sought to be disposed of otherwise than in accordance with the provision of Privatization Commission Ordinance, 2000, particularly refers to Section 25 of the said Ordinance to assert that the assets cannot be</p>

A case was again filed in the Lahore High Court, Lahore and the court's stay order is reproduced on this page. Below on the right is a press report on the issue and then the final order on the next page, in which it will be noted, that, the Privatization Commission again manoeuvred itself out of the case, by giving in writing that in absence of any bid in response to its advertisement, it is not selling the land at present.

2

Order with signature of Judge, and that of parties or counsel, where necessary.

3

alienated under the said Law without the business of the managed concern. As to the interest of the plaintiff states that ~~that~~ under the Law the plaintiff has statutory right to match the highest bid received in the auction.

4. Notice be issued to the respondent/ defendant for the said date and the auction, if any, shall not be confirmed and shall be subject to result of this application.

(Signature)
(MAULVI ANWARUL HAQ)
JUDGE.

(Signatures cut by the court clerk)

NEWS PAPER CUTTING "DAILY NATION"
Thursday, May 30, 2002

LHC stays confirmation of PECO assets sale

By Sajid Zia

LAHORE—Mr Justice Maulvi Anwarul Haq of the Lahore High Court Wednesday stayed confirmation of the sale of assets owned by PECO in Badami Bagh area and issued notice to the privatization Commission and others.

The Court passed the said interim order on a petition filed through advocate Intiaz Rashid Siddiqui by Manzar Latif, the son of C.M Latif, enlisting Privatisation Commission, Pakistan Engineering Company Limited (PECO) and the Government of Pakistan as respondents.

As per petitioner, Batala Engineering Company (Pvt.) Limited, managed and controlled by, C.M. Latif and his family was taken over by the government in 1972 under the provisions of President's Order 1 of 1972 known as "The Economic Reforms Order 1972". The company was renamed as PECO and was allegedly ruined by the management of Federal Government as it collapsed financially. During the last two decades the company as well as its assets were sought to be disposed of through the Privatization Commission of Pakistan, however without any concrete success.

The previous shareholders headed by C.M. Latif as well as Manzar Latif claimed a superior right to acquire the company under the President's Order 12 of 1978 known as the "Transfer of Managed Established Order 1978." Earlier the matter was taken to the Lahore High Court in the year 1999, wherein the Privatization Commission of Pakistan gave an undertaking that the assets of PECO will be disposed of in accordance with the aforesaid law. However when the petitioner apprehended that the Privatization Commission was again violating the rights of previous shareholders in disposing of assets of PECO, he took the matter again to the LHC.

The petitioner says, in 1999 the government allegedly through an unlawful mode and manner tended to transfer interest of the company and then this move was questioned before the court of law. When the court heard the appeal no 464599 on June 30, 1999 the respondents under took that divestitures of the shares of the company will be carried out in accordance with law.

But in violation of the law, the petitioner says, the Commission now, in concert with the management of the company, is attempting to defeat rights of the previous shareholders and this is being done through stripping of the assets of the company and selling them to the general public.

The petitioner has prayed to the court that auction notice for the sale of the company's assets may be declared contrary to the Privatization Commission Ordinance 2000, reframing the Commission from privatising the assets in a manner that rights of the petition are not infringed.

And that the defendants may be directed to comply with the provisions of sections 23,24 and 25 of the Ordinance and sell assets with business of PECO as mandated therein.

Mr. Justice Maulvi Anwar-ul-Haq, after hearing Mr Siddiqui at the early stage of proceedings, has issued notices to the defendants/ respondents for June 25 next. The Court in the meantime, has also directed the Commission not to confirm the sale of assets of PECO at Badami Bagh.

Final Court Order

ORDER SHEET

LAHORE HIGH COURT, LAHORE
SUIT
APPEAL/REVISION NO. 1 10 02
Mansur Latif.

versus
The Privatisation Commission, etc. -
APPELLANT - PETITIONER -
RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
	31-1-2003	<p>Mr. Jaffar Hashid Siddiqui, Advocate for plaintiff. Mr. Muhammad Barique, Advocate for defendants No.1 & 2. Mr. A.K. Karim Malik, Adv. for defendant No. 2.</p> <p>The plaintiff has filed this suit with the following prayer:-</p> <p>"It is humbly prayed that this Court be pleased to pass a Decree in favour of the plaintiff against the defendants jointly and severally to the following effect:-</p> <p>A. The actions of defendants to strip FPOC of its assets and sell the same in terms of Auction Notice published on 07-5-2002 in National Dailies, be held to be against the provisions of the Privatisation Commission Ordinance, 2000.</p> <p>B. The defendants be restrained from selling the assets in manner whereby the sale thereof is segregated from</p>

3

Order with signature of Judge, and that of parties or counsel, where necessary.

3

business of FPOC and rights of the plaintiff are infringed.

C. The defendants be directed to comply with the provision of Sections 25, 26 and 27 of the Privatisation Commission Ordinance, 2000 and sell the assets with business of FPOC as mandated therein.

In addition to the above, it is also prayed that during the pendency of this suit, the defendants be restrained till the decision of the suit from disposing the assets of FPOC in any manner. The Auction Notice and proceedings thereunder be graciously suspended."

Defendants No.1 & 2/raised preliminary objection No.3 which is as follow:-

"That the present suit has become infructuous because in response to the latest attempt to sell a portion of land, the response was extremely poor. Only the plaintiff purchased the bid documents, but did not submit the required earnest money. As such bidding could not materialize. The transaction

Suit No.1/2002.

-3-

would be taken to the market when the market conditions improve. Hence, the suit is liable to be rejected."

Similarly, the defendant No.2 also filed written statement and took preliminary objection which is as under:-

"That the suit is incompetent or has become infructuous as the Privatisation Commission in absence of any bid in response to its impugned advertisement is not selling the land at the present."

2. The learned counsel of the plaintiff submits that the defendants are duty bound to sell the property in question in terms of provision/Privatisation Commission Ordinance, 2000.

3. The learned counsel of the defendants submits that the suit has become infructuous in view of preliminary objections No.2 & 3 in their written statements. The defendants are not selling the property in question in terms of advertisement attached with the plaint.

4. I have given my anxious consideration to the contentions of the learned counsel of the parties and perused the record.

5. In view of written statement filed by defendants, the suit has become infructuous. The defendants are duty bound to act in accordance with provisions of the aforesaid law. In case, the defendants shall sell the property in question in violation of provisions of aforesaid law, then the plaintiff

Suit No.1/2002.

-5-

is well within his right to avail proper remedy under the law.

Disposed of as such.

04-CH. JUDGE SUP'D.
JUDGE.

Embar Copy Supd. 5-1/03

Authorized Under Order of
Quarantaine-Suburban Order: 1000

EMBAR COPY
Bismillah J.C.M (Copy Branch)
Lahore High Court, Lahore.

Below is reproduced the letter sent to PC in view of the Order and the interest of Original Owners.

A.Karim National Council,
Government of Pakistan,
Ministry of Privatization,
Privatization Commission,
3-A, Constitution Avenue,
Islamabad,
Dated: 18th Feb, 2003.

Subject: Privatisation of F.P.O.C.

Dear Sir,

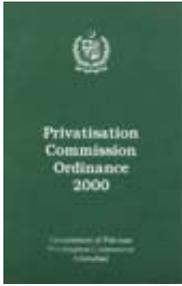
I am enclosing a copy of the Judgement dated 31st Jan, 2003 passed by Justice Ch. Jafar Ahmad of the Lahore High Court, Lahore.

We look forward, as per the directions of the Court, that the Privatisation Commission will proceed immediately to Privatised F.P.O.C., within the legal framework provided by the law, so as the company can once again become a going concern.

In this regard, we remain available, as explained in detail in a number of our earlier correspondence to you and the chairman of Privatisation Commission.

Thanking,
Yours faithfully,
Mansur Latif
3, Karim Road,
Lahore.

The Military Takes Over Pakistan



Then there was a change in the rulers of Pakistan and the military took over the administration of the country.

A Privatization Commission Ordinance 2000 (cover page on the left) was announced, with some modifications, but the Economic Reform Order of 1972 with all its amendments till the last one of

25th August, 1991 (page-256) remained intact.

On 17th August, 2001 the new chairman of Privatization Commission announced what he called "Accelerated Privatization Plan" as reported in the newspapers. A clipping, of a part of this news release mentioning Peco is reproduced below on the left.

In response to the privatization news, a letter was sent immediately on behalf of Mr. C.M.Latif to the chairman Privatization Commission, which is being reproduced below.

Privatization schedule

Continued from Page 9

being said in certain quarters.

Of this fee, he said, the ADB has offered one million dollar grant while the government is paying one million dollar. A top ranking financial adviser has already been identified for facilitating privatization of the Pakistan Petroleum which may take seven months.

Similarly Eols have been sought for appointment of financial advisers of the Sui Southern and Sui Northern.

Saleem Altaf also spelt out the schedule of privatization of six other enterprises of which he expects transactions next month of Lasbella Textile, Flatties Hotel, PECO and National Power Construction while those of Malam Jabba Ski Resort and Javedan Cement in November.

Sindh Finance Minister Dr Hafiz Sheikh, who was associated in the privatization process in Argentina, Indonesia, Malaysia and a few other countries as a functionary of the World Bank, shared his experiences and suggested a strategy to counter the moves of what he called "hidden opponents" of the privatization programme.

He stressed for maintaining a communication with the people to assure them that disinvestment of public enterprises and change of the government control management to private sector serves their interest best.

Public sector enterprises in Pakistan, he said, suffer a loss of Rs90 billion a year which is passed on to the people who have to pay taxes.

Dr Mateen Thobani spoke of the time taken in creating an enabling environment and gave a history of the PTCL privatization launched in 1992.

ALSO SENT THROUGH TCS COURIER
SERVICE VIDE THEIR RECEIPT
NO. 99311962 DATED 21.8.2001



**BECO CARPETS
(PVT) LIMITED.**

2 KASHMIR ROAD, LAHORE (Pakistan)
☎ (0992) (42) 6303149, 6366655
6370739, 6370192
☎ (0992) (42) 6364822
Proprietor of a Modern and
Computerised Large Carpet Factory.

Mr. Altaf Saleem
Chairman, Privatization Commission,
Government of Pakistan,
5-A Constitution Avenue, Islamabad,
Dated: 21st August, 2001.

Sub: Privatization of P.E.C.O

Dear Sir,

We have never met, but I have heard a lot about your pragmatic approach to aspects of Privatization.

In respect of PECO, I had the opportunity to talk to some members of your team, namely **Mr. Omar Sharif** and **Mr. Karim Nayai**, within the last month or so, over the telephone. Noticing a positive difference while comparing them with their predecessors since the Privatization Commission was established, I find myself motivated to meet you and see if a solution can be arrived, where-by we (ex-Beco family and ex-employee's) can come to the assistance of the Government, to re-vitalize Peco and in turn help the economy of the country.

I need not attach photo's of what used to be PECO, before being mismanaged as a taken-over industry. At present what it has become, is a loss maker, devouring much needed Government revenue. Its heart, the Badamibagh works, has already been destroyed and turned into a Industrial Graveyard. What is left barely alive, is the Kot Lakhpat works, where the process of disintegration has started and final removal of assets has begun, to pay wages.

Sir, the big question is, does anyone in the present Government have the will to allow Peco to be salvaged, remembering that this is an Engineering Industry (machine making), which is unlike a textile or sugar processing factory.

We on our part, are willing to help the Government in this respect, but the action has to be taken **swiftly** and **boldly**, other-wise the bleeding Peco may never be revived.

I will be accompanied by Mrs Nighat Waheed Latif, ex-Beco secretary to Chairman/M.D. Mr.C.M.Latif (who is presently abroad) Mr.Muntazar Bashir (Management Analysis & Research Consultants).

I request you to kindly give us a suitable date and time, so that, it may enable us to come from Lahore.

Regards,
Manzar Latif.
(For and on behalf of Mr.C.M.Latif, former chairman and Managing Director of Peco/Beco).

NO ACKNOWLEDGEMENT OR RESPONSE WAS RECEIVED. THE SAME INDIFFERENT ATTITUDE, AS NOTED SINCE THE YEAR 1973, (SEE PAGES 211-214, 218-219, 229, 241-243) CONTINUED, EVEN THOUGH THE NEW CHAIRMAN WAS FROM THE PRIVATE SECTOR. IT SEEMS THAT WHOSEVER ENTERS THE ENVIRONMENT OF THE GOVERNMENT CIRCLES, BECOMES AN ALIEN TO THE SOCIETY OR VOLUNTARILY FOLLOWS THEIR LINES FOR PERSONAL BENEFITS.

Peco Illegally Authorized to Sell Property Directly

Then in June, 2003 it came to be known that the Government was negotiating privately to sell Beco/Peco's assets and again going back on its mandate to Privatize the Company as a whole identity. Under these circumstances no recourse was left other than to again approach the Lahore High Court, Lahore. Therefore, the following case was filed. Cover page and the prayer is only being reproduced below.

IN THE LAHORE HIGH COURT, LAHORE
(Original Civil Jurisdiction)

C.O.S No. 17/2003

Manzar Latif son of C.M. Latif residents of 2-A, Khairi Road, Lahore.

Versus

1. The Privatization Commission of Pakistan, through its Chairman, 5-A Constitution Avenue, Islamabad.
2. The Pakistan Engineering Company Limited, through its Managing Director Ganga Ram Trust Building, Lahore.
3. The Government of Pakistan, through Secretary Ministry of Industries, Federal Secretariat, Islamabad.

— Defendants

A. The actions of defendants to strip PECO of its assets and sell the same through private negotiations piecemeal be held to be against the provisions of the Privatization Commission Ordinance 2000.

B. The defendants be restrained from selling the assets in a manner whereby the sale thereof is segregated from business of PECO and rights of the plaintiff are infringed.

C. The defendants be directed to comply with the provision of sections 23, 24 and 25 of the Privatization Commission Ordinance 2000 and sell the assets with business of PECO as mandated therein by public auction and after obtaining the matching bids by the plaintiff.

D. The defendants be directed to sell the assets and business to the plaintiff if he matches the highest bid and complies to such terms and conditions as are willing to be performed by any third party desires to buy PECO, as per mandate under Transfer of Management Establishment Order 1978 as amended till date.

But during the proceedings of this case, while it was being argued in the remaining part of the year 2003, the Government did the following.

In the preceding pages it was always the Privatization Commission which advertised to sell Beco/Peco's property under the umbrella of Privatization. But now Peco was given the authority to sell directly the property, also adding that it had NOC from the Government of Punjab. The new advertisement and the NOC are reproduced below.

INDUSTRIAL/COMMERCIAL PLOTS FOR SALE

ON "AS-IS-WHERE-IS" BASIS

BADAMI BAGH, LAHORE.
Tender No. A/R/358/01

Pakistan Engineering Company (PECO) Limited intends to sell its land located at Badami Bagh, Lahore on "as is where is" basis. The bids can be submitted for the whole land as one lot or for one or more lots separately.

Lot No.	1	19	18	127
	3	16	1	58
	4	25	11	27

The company (PECO) invites interested person(s) / party(ies) to participate in the bidding for the purchase of above described land located at Badami Bagh, Lahore.

SPECIALITY OF LOCATION

- This land is located South of Lahore Railway Station and North of Badami Bagh Railway Station. This is industrial / commercial area, accessible by road and railway siding.
- The site is ideally located in the centre of thriving steel market of Badami Bagh, essentially a single commodity market mainly steel and steel related business which supplies steel products throughout Punjab and up country. The site is also in the vicinity of Badami Bagh timber market.
- This land, with its attractive location, is suitable for Go-downs, Workshops, Industrial & Commercial Trades and Offices, etc.
- No objection certificate (NOC) for disposal of land has been issued by Govt. of Punjab.

IMPORTANT TO NOTE

- Property details and bidding documents including terms & conditions of sale and bidding methodology will be available from the following offices with effect from 01-01-2004 during 09:00 (A.M) to 03:00 (P.M) on any working day against non-refundable payment of Rs. 10,000/- (Rupees Ten Thousand only) through Bank Draft or Pay Order in favour of "Pakistan Engineering Company Limited" payable at Lahore.

<p>1. Mr. Khalique A. Mian Incharge Human Resource Management Pakistan Engineering Company Limited 6/7-Ganga Ram Trust Building, Shahr-e-Quaid-e-Azam, Lahore. Telephone No. (042) 7320225-7 Fax No. (042) 7323108</p>	<p>2. Mr. Ishtiaq Ahmad Deputy General Manager Or his representative Pakistan Engineering Company Limited 6th Floor Uni-Tower I.I. Chundrigar Road, Karachi. Telephone No. (021) 2415021 Fax No. (021) 2415538</p>	<p>3. Mr. Shahid Zia Butt PECO Representative for Islamabad C/o State Engineering Corporation 3rd Floor, Saeed Plaza, Jinnah Avenue (Blue Area) Islamabad. Telephone No. (051) 9208768 Fax No. (051) 9220467</p>
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The Bidder(s) is/are required to send his/their bids alongwith earnest money in the form of a Bank Draft or Pay Order to Pakistan Engineering Company Limited, 6/7-Ganga Ram Trust Building, Shahr-e-Quaid-e-Azam, Lahore by post/courier or drop in the Tender Box, kept in the above said office before 11:00 hours on January 17, 2004.

For further information, the prospective bidder(s) can visit the site during working hours on any working day with prior permission from Mr. Khalique A. Mian, Incharge Human Resource Management, PECO, Lahore (Telephone No. 7320225-7). In accordance with the manner described in the bidding Documents, the Bids will be opened on 17th. January, 2004. At 12:30 hours in the presence of bidder(s) or his/their authorized representative(s).

PECO
MANAGER DIRECTOR
PAKISTAN ENGINEERING COMPANY Ltd.
A company of State Engineering Corporation
Ministry of Industries & Production, Government of Pakistan
6/7 Ganga Ram Trust Building
Shahr-e-Quaid-e-Azam, Lahore-54000 Pakistan
Phone: (+92-42) 7320225 (3lines), 7323073
Fax: (+92-42) 7323108 Email: peco@pak.net.pk

Planned No. 9218791

No. 1053-2003/ S.I.V.
Board of Revenue, Punjab,
Lahore, dated the 29.6.03

From: The Board of Revenue, Punjab.

To: The Secretary,
Ministry of Industries & Production,
Government of Pakistan,
Islamabad.

SUBJECT: NO OBJECTION CERTIFICATE FOR SALE OF LAND ACQUIRED BY PECO, BADAMI BAGH WORKS, LAHORE.

MEMORANDUM

Reference Chairman, State Engineering Corporation, Ministry of Industries & Production, Government of Pakistan letter No.GM/F/PECO/Lahd. dated 15.04.2003, addressed to the Principal Secretary to the Governor, Punjab, on the subject cited above.

2. It is to state that properties of Bata Engineering Company Pakistan (Ltd), Lahore were taken over/acquired by the Federal Government under the Economic Reforms Order, 1972 and the said Company was renamed as Pakistan Engineering Company. The properties of Pakistan Engineering Company vested in the Federal Government from the date when the same was acquired by the Federal Government under the Economic Reforms Order, 1972. The Federal Government is fully competent to dispose of the said properties by way of transfer or otherwise. There is no civil or legal proposition that Economic Reforms Order, 1972 being a Federal Legislation would override the provisions of Punjab Land Acquisition Rules, 1983.

3. The Government of the Punjab has, however, no objection to the disposal of properties of PECO which had vested in the Federal Government.

SECRETARY (SETTLEMENTS)
BOARD OF REVENUE, PUNJAB.

JUE ALI
Managing Director
99 Co. Ltd. LHR.

No. 1053-2003/ S.I.V.
A copy is forwarded for information and necessary action to:-
The Chairman, State Engineering Corporation, Ministry of Industries & Production, Government of Pakistan, Saeed Plaza, Khayaban-e-Quaid-e-Azam (Jinnah Avenue), Islamabad.

The Test of PM's "Mr. Clean" Image

On careful reading of the NOC (reproduce on the previous page) it will be noticed that the Secretary, Board of Revenue, Punjab is under the impression that the Federal Government acquired the properties of Pakistan Engineering Company (Beco/Peco) under the Economic Reforms Order 1972. When in fact only the shares were acquired in the amendment done in 1973, of the Economic Reforms Order. Then it goes on using the word "Cavil" probably meaning "there is no fuss" over the legal position of Economic Order 1972 over-riding Punjab acquisition laws (when in fact there is no connection between the two).

This letter gives ample insight how Government departments twist the laws with camouflaged language to suit their own requirements. In view of the new advertisement given by Beco/Peco, reproduced on page 263, additional application for a stay had to be given in the case which was pending since the year 2003.

In this respect, the court order, dated January 23, 2004 is reproduced below.

DC-121

ORDER SHEET
LAHORE HIGH COURT, LAHORE
APPEAL/REVISION NO. 17 of 2003 20

Muzafar Hafeez APPELLANT
versus
Privatization Commission of Pakistan etc. PETITIONER - RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of judge, and that of parties or counsel, where necessary.
1	2	3
(10)	23-1-2004	<p>Mr. Irtish Rashid Siddiqui, Advocate for the plaintiff. Mr. A. Enis Malik, Advocate for defendant No. 2. Mr. Muhammad Rafique Shad, Advocate for defendant No. 1.</p> <p>Learned counsel for respondent No. 2 has placed reliance on certain decisions taken by the Privatization Commission of Pakistan, which have not been brought on record. Let copies of the same be formally brought on record of this suit, with an advance copy to the learned counsel for the plaintiff.</p> <p>2. The sanction, if held, shall not be confirmed and shall also be subject to the decision of this suit.</p> <p>3. Re-list for 25-2-2004.</p> <p><i>(Muhammad Shant)</i></p>

The order above reveals that a stay was granted. But, while this case was being argued, the following was revealed in the local paper "The News" dated 14th Oct, 04 reproduced on the right.

This reproduction shows that NIT sold the shares of Beco/Peco, which were in its possession, but by the inclusion of these shares the Government had a majority (see page-231, 7-D(3)-explanation and 7-E), due to which it was having the control of management of Beco/Peco, after considering and including the shares which it nationalized in the year 1973.

Now, if the shares which were already in the possession of Government institutions at the time of Nationalization are sold in the market independently of the Privatization Commission, then the whole concept of Nationalization and Privatization falls apart and these actions of the past and present Governments become a cruel Joke on the economic environment in which Pakistan is being governed, **because if the shares of a company which the Government already owned at the time of Nationalization are dis-invested by it in the free market, then the questionability of shares which were nationalized opens up.**

Test of PM's 'Mr clean' image

win the lucrative contracts.

The latest lobby to enter the field is trying to market the Ukrainian wheat for the upcoming import orders from Pakistan.

"There shouldn't be a problem for Shaukat Aziz to order a transparent system for commodity purchases, where there are no scams on this count in other countries" said a recently retired civil servant, who predicted a strong pressure on the prime minister to favour a particular company or another.

The decision by the National Investment Trust (NIT) to sell the frozen share holding of Pakistan Engineering Company (PECO) to mysterious unknown buyers a few months ago is fast emerging as the first financial scandal facing Shaukat Aziz's administration.

The matter was first brought into Shaukat Aziz's knowledge when he was being nominated as the government's candidate to replace Zafarullah Khan Jamali, a few months ago.

The NIT decision to sell more than 1.179 million shares of Pakistan Engineering Company (PECO) without the mandatory permission of the finance minister caused a stir in corporate sector as the decision reduced the shareholding of the government from 55% to 32%, and opened way for the hostile takeover of the company.

"This amazing decision earned a windfall for the unidentified buyers and reduced the government's majority share holding to a minority in this hot cake," said a seasoned stock analyst.

"This matter deserves an intense investigation by the NAB and the SECP", he said. By own-

ing 1.1 million shares the NIT was 20 percent owner of the PECO, which was high on the government's list of the units to be privatised soon.

"At the time of privatisation the government could have earned at least 100 percent premium on these shares sold by the NIT for nominal sum," said a senior Privatisation Commission official who also confirmed that the NIT sold the frozen stock of the PECO shares.

One of the most important decisions, where Prime Minister Shaukat Aziz's recommendation would play a decisive role is the long overdue government decision over the privatisation of the Pakistan Telecommunication Limited as a single entity or as several individual units.

The government, senior official sources said, is to decide the PTCL's fate as a single entity or fragmented entities is expected in the next few weeks.

The PTCL, which earned a record profit of Rs 29 billion from record revenue of Rs 74 billion this year, is considered one of the most attractive state enterprises being offered for privatisation by the government.

Experts believe that by proper marketing and research the government can fetch up to US\$ 1.3 billion by offering 1.25 billion shares (about 26%) of the PTCL to a strategic buyer of the company, when offered as a single entity.

Prominent international companies with global standing have already shown interest in bidding for the PTCL as a single entity. On the other side, some other local and international companies have said that they didn't have enough resources to purchase

Therefore, another case was initiated in the Lahore High Court, Lahore, but, while this case was being argued, the Privatization Commission placed the advertisement reproduced on the next page.

A GOLDEN OPPORTUNITY FOR REAL ESTATE DEVELOPERS

PRIVATISATION COMMISSION INVITES TO PARTICIPATE IN BIDDING FOR THE SALE OF LAND OF PAKISTAN ENGINEERING COMPANY LIMITED (PECO) AT BADAMI BAGH, LAHORE ON AN "AS IS & WHERE IS" BASIS

The Government of Pakistan (GoP) intends to sell the land owned by Pakistan Engineering Company Limited (PECO) (Badami Bagh Works), Lahore, on an "AS IS & WHERE IS" basis through competitive bidding process.

The Privatisation Commission, Government of Pakistan invites Expression of Interest (EOI) from the interested parties to participate in the bidding process for purchase of the land at Badami Bagh Lahore. The property being offered is in two (2) lots namely Block-A (159 Kanals, 07 Marlas and 207 Sq.ft.) and Block-B (100 Kanals 12 Marlas and 144 sq.ft).

SALIENT FEATURES:-

- The plot of PECO, Badami Bagh land is situated in the South of Lahore Railway station and in the North of Badami Bagh Railway station. This is a commercial area, accessible by roads and railway siding.
- The site is ideally located in the heart of thriving steel market of Badami Bagh. The Badami Bagh timber market is also in close proximity of the site.

EXPRESSION OF INTEREST:
Interested parties may furnish their Expression of Interest (EOI) clearly stating which Block is of interest as described above along with non-refundable processing fee of Rs. 15,000 (Rupees fifteen thousand only) in the form of Bank Draft, payable at Islamabad, in favour of Privatisation Commission, Government of Pakistan in a sealed envelope marked "EXPRESSION OF INTEREST FOR PECO, BADAMI BAGH, LAND" latest by 1500 hours on 6th August, 2005.

BIDDING DATE:
The final date for bidding will be shortly announced and conveyed to the parties participating in the process through submission of EOIs.

PLEASE NOTE THE FOLLOWING:

- Interested parties submitting EOIs:
 - Will be provided details of the land alongwith Bid Documents from the Privatisation Commission, in such form, time and manner as Privatisation Commission deems fit.
 - Will be given opportunity to visit the sites on any working day on prior written appointment with the Privatisation Commission.
- THOSE WHO HAVE ALREADY SUBMITTED THEIR EOIs IN MAY, 2005 NEED NOT RE-APPLY, HOWEVER THEY MUST INFORM THE COMMISSION IN WRITING OF THEIR INTEREST IN BLOCK-A OR BLOCK-B LATEST BY 2nd AUGUST, 2005.

Address for submission of EOIs and for further details, information and clarifications:

MR. M. MANSHOOR ZUBAIR DIRECTOR GENERAL (S&T) Phone: +92 (0) 51 9216541	MR. ZEESHAN RIAZ CONSULTANT Phone: +92 (0) 51 9204589 E-mail: mzeeshan@privatisation.gov.pk
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E-MAIL: info@privatisation.gov.pk
WEBSITE: HTTP://WWW.PRIVATISATION.GOV.PK

In view of this advertisement published on 1st August, 2005, the case pending before the Lahore High Court, Lahore, in response to the advertisement placed by Beco/Peco (see page-263) had to be withdrawn and a fresh case was filed, which covered both the situations arising from these sale offers.

A stay order was passed by the courts, which is reproduced below.

Learned counsel for the respondent has entered appearance and filed a memorandum of appearance on behalf of the respondent No.1. He states that in respect of the property forming the subject matter of the present suit, CCS-17-2003 titled Mansur Latif vs. The Privatization Commission of Pakistan etc is pending in this Court, wherein interim relief has been declined by my learned brother Mr. Justice Muhammad Muzammil Khan. He seeks time to place on record the said order and also to file his reply to the application for interim relief. Time is allowed to him upto 4.10.2005.

2. The proceedings of impugned expression of interest shall continue as scheduled but shall not be finalized before the next date of hearing on 04.10.2005. This order is interlocutory and shall not be published by the petitioner.

(UMAR ATA BANDIAL)
JUDGE

CLOSING REMARKS ON COURT CASES AS OF END 2005 ARE: (1) ADMISSION IS ON RECORD BY PAKISTAN ENGINEERING COMPANY THAT SHARES SOLD BY NIT WERE ILLEGAL,(2) ASSET STRIPPING OF BECO/PECO HAS BEEN RESTRAINED BY THE COURT TILL THE CASE IS DECIDED.

Below is the closing position of the company, regarding what they had rehabilitated from Beco/Peco Badami Bagh Works (see page-252,) and had set up in Beco/Peco Kot Lakhpat Works during the period 1995-1998.

they have started reporting shops are being shut down and assets which were shifted from Badami Bagh Works are held for sale. What happened to the word "rehabilitation" which was so much floated around by the Government functionaries.



On the left is the cover page of 30th June, 2001 annual accounts. It only relates to Beco/Peco Kot Lakhpat Works.

Closed Shops (at Kot Lakhpat Works, as per director's report on page-7 of this Balance-Sheet)

Cover Page

During the year machine tool and power loom shops were closed down as per decision of the Board of Directors. Bicycle shop was operated to consume the available inventories. Electric motor shop operations were curtailed to produce motors to be coupled with pumps only.

Assets Held For Sale (as per director's report on page-9)

Surplus machinery lying un-installed at Kot Lakhpat Works and machinery of the closed down power loom and machine tool shops have been shifted from operating fixed assets to assets held for sale at their written down value as on 30.06.2000.

From the above it can be observe that within a period of 3 years, since the last annual report for the year 1998 when people who were managing the Company reported that rehabilitation is almost complete and now in the year 2001,

Only lies and more lies.



Cover Page

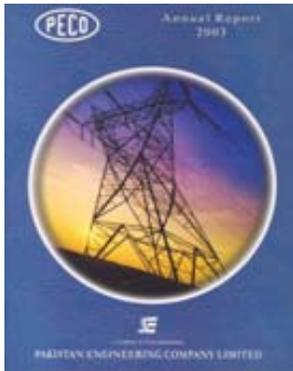
On the left is cover page of 30th June, 2002 annual accounts. It relates only to Beco/Peco Kot Lakhpat Works.

Below are extracts from Chairman's Review as on page-5 of this Balance-Sheet.

With a view to overcome the business recession and offset the ongoing financial pressures, like payment of wages and discharging essential billings, the Privatization Commission in January 2002 proposed to the Government the closure of the Company and lay off of all the employees under Compulsory Separation Scheme (CSS) after execution of orders in hand. The proposal was approved by the Government and necessary funds were provided to the Company for CSS.

Accordingly, all the unionized employees together with a few supervisors and officers were released on March 9, 2002, while essential staff were retained till execution of orders in hand.

Beco/Peco Turned Upside Down



Cover Page

On the left is the cover page of annual accounts dated June, 2003. It relates only to Beco/Peco Kot Lakhpat Works.

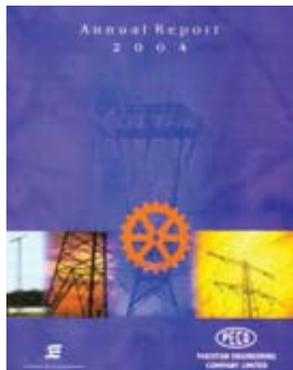
Below are extracts from Director's Report as on page 7 of this Balance-Sheet.

(e) IMPAIRMENT LOSS

A number of divisions have been closed down during the past year due to adverse liquidity position, continuing losses and as per instructions of the Government.

Below are the extracts from the Auditors' Report, as on page 17 of the above Balance-sheet

Machine Tool Division, Power Loom Division, Furnace and Rolling Mills Division have been closed and thus, in our opinion, indicate the impairment of the plant and machinery of the above mentioned Divisions.



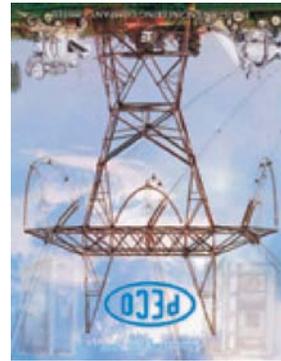
Cover Page

On the left is the cover page of annual accounts dated June 30, 2004. It relates only to Beco/Peco Kot Lakhpat Works.

Below are extracts from Director's Report as on page 7 of this Balance-Sheet.

(a) GOING CONCERN

The Privatization Commission has recommended closure of the Company to the Government. However, in order



Printed upside down

for the company to continue as a going concern, a plan for its restructuring has been submitted to Government which includes sale of Badami Bagh land and rehabilitation of Kot Lakhpat operations. The plan is under active consideration. As a result, these accounts have been prepared on, assumption that the Company will continue as a going concern. Consequently it does not include any adjustments that might be necessary if the going concern assumption was not appropriate.

The word rehabilitation is back in fashion. This time now for Kot Lakhpat Works. What happened when it was used for Badami Bagh Works. There was loss of manufacturing, labour unemployment, theft, pilferage, money-making by civil servants and bureaucracy, etc. Above is the cover page printed upside down of annual accounts dated June 30, 2005. It relates only to Beco/Peco Kot Lakhpat Works.

Below are extracts from this year Director's Report as on page 9.

(F) GOING CONCERN

The Government of Pakistan has modified its earlier decision, regarding the closure of the Company. The Ministry of Industries, Production and Special Initiative has confirmed that the Government of Pakistan has considered the recommendation of Privatization Commission and has allowed the PECO to continue as going concern in the field of tower manufacturing, i.e., PECO will not be wound up.

What happened to Beco/Peco. It simply turned upside down, between the years 1972-2005.

Mr. C.M.Latif, captured on film with his passion for flowers as he turned 96 in the Year 2003.



The Saddening Obituaries & the Memorial References

Sad Demise of the Two Great Heroes of Pakistan's Industrial Development

Vice-Admiral H.M.S.Choudri passed away on February 27, 2004.

and

Just 11 days later

Mr. C. M. Latif breathed his last on March 9, 2004. He had turned 97 a few days back.

(The Eldest Brother, Mr. Sharif Choudri Had Already Expired Earlier on December 9, 1972)

On the following pages are Proceedings
of the Meeting held on March 27, 2004 under the aegis of PIMA & FDMR
at the Raffia Choudri Memorial Centre, Karachi
to honour the memory of
The Two Committed Stalwarts of Pakistan's Defence and Industry
Vice-Admiral H.M.S. Choudri
and his elder brother,
Mr. C.M. Latif.

May Allah Almighty Bless Their Souls!

The FDMR & PIMA Memorial Meeting For Two Stalwarts of National Industry



Rishad Choudri

He reminded us we have all benefited from the creation of Pakistan and we must do whatever we are able to help make Pakistan strong.

Bismillah Irrahman Irrahim

We are gathered here to honour the memory of Vice Admiral HMS Choudri and his elder brother Mr CM Latif both of whom passed away recently within days of each other. Their presence and wise counsel will be greatly missed.

We would like to thank all those who have spared the time to attend this meeting. We would also like to thank the Pakistan Navy and other national maritime entities for their help and cooperation in Admiral Choudri's efforts to promote greater maritime and moral awareness in the country. We would also like to thank all those who have regularly spent their valuable time in participating in PIMA and FDMR's activities whether it is by organizing or participating in various seminars, discussions, lectures etc. Without their help it would not have been possible to carry on the mission.

As Admiral Choudri frequently reminded us we have all benefited immensely from the creation of Pakistan and we must be grateful for this and do whatever we are able to help make Pakistan strong. It shall be our endeavour to strive to carry on his efforts both in the maritime and moral fronts. We look forward to your continued co-operation in this regard so that we may continue in the direction which he has set for us with determination and honesty of purpose. Thank You.



Begum Tazeen Faridi

Admiral Choudri always stressed on the importance of striving to live by moral standards. The neglect of the moral factor lies at the root of our problems in all spheres of national life.

Ladies and Gentlemen

Vice Admiral H. M. S. Choudri and (Mrs.)Rafia Choudri were a team and they embodied the spirit of Pakistan National Unity, starting with the family.

The Quaid-e-Azam made Begum Liaquat Ali Khan leader of PWNR and PWNG working together for national safety and security. (Mrs.) Rafia Choudri and her sister Begum Razia Nazir Ahmed, played an important role in these organizations.

Begum Rana Liaquat Ali Khan became leader of the women to give security to the nation and Begum Choudri was among her dedicated team members. Vice Admiral Choudri was a symbol of national security, as head of the then Senior Service, the Navy.

Vice Admiral Choudri handed Liaquat Ali Khan the national flag, and the Navy band gave the nation the first rendering of the national anthem which was heard and approved by the Prime Minister. Admiral Choudri always stressed on the importance of striving to live by moral standards. The neglect of the moral factor lies at the root of most of our problems at all levels and in all spheres of national life.

Thus, we are the ones who are responsible for all the ills within our society, and, therefore, I always seek God's help and forgiveness and, all the time repeat the following verse of the Qur'an:

La ilaaha illa anta subhaanaka, inni kuntu

minazzaalimeen.

"There is no diety save Thee! Limitless art Thou in Thy glory! Verily, I have done wrong!" (Surat Al-Anbiya 21: 87. Translated by Muhammad Asad).

Ladies and Gentlemen

We are gathered here this evening to pay our respects and homage to two great personalities - Admiral H.M.S. Choudri and his elder brother Mr. C.M. Latif - both of them were unique persons whose contribution to Pakistan cannot be described in a few words. Both were giants in their own respective fields. Admiral Choudri, as a great naval chief and Mr. Latif as a great entrepreneur and industrialist. I count my self in having had the honour and privilege of serving under Admiral Choudri. He was a towering personality, both physically and morally, and a born leader of men. What inspired all those who served under him was his keen sense of commitment in whatever task he undertook. He joined after passing an all India competitive examination, the then Royal Indian Marine, as the Royal Indian Navy was then called. This was in 1931, a time when every young man's dream was to joining the army. Thus for him to select the navy as a career was a very brave and adventurous a step. He was commissioned in the executive branch and became the first Indian to do so. A unique honour indeed. He soon made his mark and specialized in anti-submarine warfare as it was called then. He represented the Pakistan Navy in the Sydney centennial celebrations. During the 2nd world war, he commanded the HMIS Parwati and took part in the assault and capture of Masawa, the capital of Italian Eritrea. Parwati was sunk by an enemy mine and for his exemplary leadership and courage, the then Lt. Cdr. Choudri was awarded the MBE by the British Government. He was later selected to represent the Royal Indian Navy on a public relation mission to the United States and there he did an extensive tour for war related establishments. It is being mentioned that story went round in the RIN that a signal was sent to a naval base commander in the US, saying that Lieut. Commander HMS Choudri arriving on so and so date, please arrange necessary reception. Back came an immediate reply, signal length, width and draft of HMS Choudri. After a series of important appointments, he was appointed in command of the latest ship to join the RIN, The H.M.I.S. Godawari and he took part in the pacific ocean campaign. Later, the Godawari was a part of the allied occupation forces in Japan, a great honour for the Royal Indian Navy. In fact his command of Godawari was a very great honour for the Indians in the Royal Indian Navy. During the RIN mutiny, as also already related, in 1945 the only ship which did not have a mutiny on board was the Godawari. No doubt on account of the personality of the then commanding officer Cdr. Choudri and his handling of the officers



Rear Admiral Zahid Hasnain

Both Mr. C.M. Latif and Admiral Choudri were giants in their own fields. Begum Choudri took a leading role in the formation of the PWNR and welfare activities.

Admiral Choudri's devotion to Pakistan and the Navy was astounding and a source of great strength to us all who served under him.

The FDMR & PIMA Memorial Meeting For Two Stalwarts of National Industry

He was a bright star in an otherwise gloomy landscape of our leadership. Selfless, totally devoted to a cause, fearless in his defence and a very courageous and a noble person.

and men under his command. I knew some of the officers who were friends of mine who served on the Godawari under Admiral Choudri and from all that I heard Godawari was a very happy ship they were all very proud of having served under Cdr Choudri. Admiral Choudri obviously distinguished himself, in his command but before sailing for the Pacific, he married Begam Raffia Choudri and what a fine couple they both were. Optimistic and happy and an ideal for youngsters devoted to the cause especially for social service and as you have heard mentioned, Begum Choudri took a leading role in the formation of the PWNR suitably encouraged and helped by Admiral Choudri of course. On relinquishing command of the Godawari he served in Naval Headquarters in New Delhi in various assignments. His naval career from then onwards has been well covered by various persons, so I do not wish to repeat that. I would like to highlight certain aspects of it which have gone unnoticed. His devotion to Pakistan and the navy was astounding and a source of great strength to us all who served under him. Throughout he was never tired of mentioning it in almost every address to the officers and sailors that Pakistan had the finest human fighting material in the world and then he said it, It wasn't just recurring, he meant it, and it was correct. His single minded commitment to the navy and the maritime defence of the country was a source of inspiration to us. He was an extra ordinary visionary full of hope and confidence in the future of a new country and its people. His personal charm and caring nature and concern for all those who served under him was really extra ordinary. The first housing project undertaken by any service in Pakistan was the rating's colony for the homeless ratings who had no where to live in Karachi then. For him, as with all great commanders, his men always came first, then the officers and lastly himself, a quality of great leadership. His fearless objection, because of the navy, and his fight with President Ayub Khan and his resignation in protest, have become a part of naval history. What is generally known is his efforts to induct submarines and an effort which was torpedoed by the Finance Minister, who as the US records now reveal was looking after US interests in Pakistan. If he had those submarines, for which the agreement had almost been obtained, perhaps, it was not very bad but, but I am sure our performance in the 1965 war would have been much, much more than what it already was. Admiral Choudri, in spite of this set back, never lost heart and then to his great credit he never failed any more. After his retirement, which gave a great shock, and now I might tell you, the whole of the navy was completely behind him in his desire to modernize the navy which he did and the acquisition of the cruiser on which his fight took place with President Ayub Khan., Immediately after retirement his thought was again on social service and he decided to set up a charitable organization called Pakistan Foundation and asked me to prepare a scheme for setting up a technical training institute which

I believe he did. Whilst studying in the Marine Defence College in London, he met a great admirer of the founder of the Moral Rearmament Movement, a movement for which he was totally committed throughout his life, both in the navy and afterwards. And as you all know he founded this movement in Pakistan. Amongst his many achievements he helped his brother for the development of Batala Engineering Company which soon became a premier engineering company in the private sector in the country. What ever Admiral Choudri did, he did it to perfection. He was elected President of the Pakistan Federation of Chambers of Commerce and Industry and later when he returned to construction, he built this magnificent complex in which we are holding this meeting. His devotion to the Sea and Maritime Affairs of the country was always upper most and he continued his unflinching support for the development of maritime activities, eventually setting up the Institute of Maritime Affairs, to bring service to the cause of maritime affairs for economic development and for naval defence. This he did at his own expense without seeking financial help from the Government or elsewhere. This amongst other things is one of his priceless gifts to the nation. He was a very great man by any strength. To be revered and to be proud of what ever he did, he did to actual perfection. It is such persons who make a nation and their country great. Sadly he is no more with us but his legacy carries on and all of us will miss him and remember him, and thank him for the honour he did us with this friendship, to guide us as an example. He leaves behind his two wonderful sons and grand children to carry on his good work and tradition. Admiral Choudri was in deed a rare person who can be remembered and missed forever. He was a bright star in an otherwise gloomy landscape of our leadership. Selfless, totally devoted to a cause, fearless in his defence and a very courageous and a good man. May his soul rest in eternal peace, Ameen, Summa Ameen.

Admiral H.M.S. Choudri & Mr. C.M. Latif at the Latters Residence in Lahore 1985.



2nd from left Mr. M. Sharif Choudri, Civil Engineer, eldest brother of Admiral Choudri, who passed away over a decade ago, seen here showing BECO Products to President Gamal Abdul Naseer of Egypt at BECO Badami Bagh Works in Lahore. Mr. Sharif Choudri's role in the development of BECO was pivotal.



Honouring the Two Great Heroes of Pakistan Industry



Mr. Qutubuddin Aziz

Ladies and Gentlemen

Illustrious leaders of the Pakistan Navy who are present here, Ladies and Gentlemen, with a heavy heart saddened by the tragedy that has happened, I rise to join such fine and illustrious speakers in paying my major tribute to a great Pakistani, to a great Muslim and to a great man. Even now I can see with my mind's eye Admiral Choudri sitting here presiding over a meeting with dozens of seminars he organized in order to educate the people of Pakistan in morality the demands of building up a good navy all that headed with a purpose of ensuring that the causes he had served throughout his life would continue to be served by the young nation of Pakistan. Ladies and Gentlemen; I can't tell you how profoundly sorrowfully said I feel due to the passing away of Admiral Choudri. He was a very great man. What we don't realize is you have lost one of the makers of Pakistan. Dwelling into the archives of history when I look through the papers the Defence Committee appointed by the British Government to partition the assets of the defence services. Admiral Choudri was nominated by Quaid-e-Azam Mohammad Ali Jinnah. The Muslim League working committee decided that Admiral Choudri should go into the committee, and there the towering personality of Admiral Choudri was there to defend the best interest of Pakistan. At times we were denied what we should have got, but here was Admiral Choudri to fight for our lives. We are most grateful to him Quaid-e-Azam Mohammad Ali Jinnah had great faith in him and I remember General Shahid Hamid telling me that when it came to the service chiefs, Quaid-e-Azam Mohammad Ali Jinnah said, he is the man, I look after him for the building of the Armed Forces of Pakistan, the defence services, Navy included. I met him many a time before I went to London. After my return from London he called me up and I was so profoundly inspired by what he said. He said look my desire is two areas in which I did worldwide good and that was to build up the moral fibre of the nation. And the other thing I want is, the navy must be built up. He said look, the mind set of the moghuls were responsible while India went under the British rule. We have got to change that and that is what he thought he must. Any how, after he became the C-in-C the first C-in-C of the Pakistan navy, his main desire was to build up the Pakistan Navy. In London during my posting I had the opportunity of meeting Admiral Jefford many a time and he always had the highest regard and respect for Admiral Choudri and his team of young officers who built up the Pakistan navy in the face of enormous odds. Later on, when we talked, he said don't forget the moral fibre must be stronger, otherwise you can't build up a nation. And, therefore, he decided to set up the FDMR. Let us hope that we can renew that legend of Admiral Choudri and also the legacy that he left to us, then we said what shall we do organizing meeting and I remember he organized the first meeting and said you should conduct the proceedings. I went to

In London during my posting I had the opportunity of meeting Admiral Jefford many a time and he always had the highest regard and respect for Admiral Choudri and his team of young officers who built up the Pakistan navy in the face of enormous odds.

Admiral Choudri set an excellent example to the young officers of the armed forces and administration.

Admiral Choudri was an educator. A seat of learning should be dedicated to his memory.

Lahore with him and there we sat. I must say the thorough manner in which he planned the whole thing has to be done according to order, and that will be the discipline the Quaid-e-Azam Mohammad Ali Jinnah has always spoke of. The discipline that went in to the making of your armed services and Admiral Choudri was a typical example of it. I remember that meeting he held here, he was presiding over the meeting absolutely in dire pain, and here he was suffering but then the meeting went on for about three hours and at the end of it he probably had pain and then he stayed around for a while and spoke to the guests and said have some tea and then have some refreshment and so on. The manner in which he looked after the need of every body was typical of the manner in which he used to look after the men under his command in the ships he commanded.. He certainly had a high place. Persons like Admiral Choudri are very few in the world as such it was a gift of God that we had him. I wish to tell you when it came to writing memoirs, I begged of him. I said Admiral Choudri you must write your memoirs and he started dictating it. One incident which I thought must be mentioned here and should go on the record. Admiral Choudri told me that when President Iskandar Mirza rang him up and said he was planning to take some bold constitutional measures and so on, and Admiral Choudri told him very frankly, don't disturb the constitution of Pakistan, don't abrogate it. It's a constitution you and I have sworn to defend and that being the case that was probably the time when he had quarrel with General Ayub Khan and you probably know that General Ayub Khan was also a member of the partition committee, he was then a Brigadier in the British Indian Army and later on in the Pakistan Army. So Admiral Choudri knew him very well. So when he came to imposing martial law abrogating the constitution of Pakistan. Admiral Choudri was strongly opposed to it. I asked him why Sir, he said the main reason was you build up a constitution you write it in to become a Magna Carta of your freedom and independence of your state and you take a note that I shall defend it and certainly you will decide to scrap that constitution you violated and that was the thing that I didn't like and that is why I opposed it. Then it came to another matter and he had a bit of a problem with General Ayub Khan and this related to the importance that should be given to the Navy in the defence system of Pakistan. He thought that the Navy was being short changed. And so as a man of integrity he said no. I shall tender my resignation, nobody had done that before but Admiral Choudri had the moral integrity to send in his resignation to the President of Pakistan, from the office of the C-in-C of Pakistan Navy, I have seen no example of this kind in the annals of Pakistan history. So, in point of fact, he set an excellent example to the young officers of the armed forces as well as the administration of Pakistan. When it comes to Pakistan when it comes to ideas, when it comes to your morality, your moral fibre you must act according to the dictates of your

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conscience and it made me resign. And that is what he did. And later on when we talked about it, he said, my great ambition is to build up the moral fibre of the nation and do something about it. For that we have built up the FDMR. He devoted himself entirely to it and throughout his life, he did a great deal for it. The later on he said let us set up of an organization for the purpose of educating the people of Pakistan and its rulers in the importance of coastal methods, the defence of Pakistan, Maritime Affairs and so he decided to set up The PIMA. The Pakistan Institute of Maritime Affairs. You will probably be interested to know, when we sat down about it, I don't know, suddenly I had a brain wave and I said, Admiral Saheb, the name I suggest for it is PIMA and that is what I said he was absolutely pleased with it and later on he set up the organization. My appeal is to work for these two organizations the manner in which Admiral Choudri looked after it, build up these two organizations, I am sure that they will continue to play their part to building up the moral fibre of the nation and along with that the need for building up a maritime interest properly and so on, and the other thing that I think ought to be done by all those who loved Admiral Choudri is to ensure that these two organizations become vibrant that they grow and there is the message that he had the mission that he had built up by himself and for the nation ought to be continued. There is a book of his and I do hope and pray that what he has dictated together so that a book can come out, I think its profoundly important, the experience he had was tremendous especially the early years of Pakistan, the formative days of Pakistan, the building up of the Pakistan navy, all that has got to go into our history book. How these men of grit and spirit and how they faced the challenges which were there and the fact to the matter is that he was one of the great builders of Pakistan, he built up the Pakistan Navy, a most important element in the defence system of Pakistan. The name of Admiral Choudri, I am sure will live on in our hearts and our minds. I see his picture in my mind's eye, such persons become absolutely immortal, immortal in the good works that they have done and my prayer to the Almighty is that May the mission which he expounded for the nation continue and that those who joined him in this great movement that they become the torch bearers that they look after what he wanted because in that they will have served him very well and in point of fact, sure we continue to dedicate ourselves to the ideas that he set for himself. Ladies and Gentlemen there is one request that I would like to make to the Government of Pakistan, it happened in Britain also, Admiral Choudri was Vice Admiral in the Navy, at the time he died at the time he lived and retired. In Britain it has happened many a times. Posthumously the Queen or the Government (whatever it is) they had, they normally have elevated the person to a higher

The BECO was Mr. C.M. Latif's great contribution. He was a great pioneer.

rank. My appeal to the government of Pakistan especially the President of Pakistan is, to use its prerogatives for the purpose of elevating posthumously Admiral Choudri to the full rank of an Admiral of the Pakistan Navy. (Clappings). I appeal to the government and number two. We have been building and I am sure that we will build great Universities and then probably we will build great seats of learning, I appeal to the government that one of the important seats of learning, because Admiral Choudri was in point of fact an educator in as much he was trying to educate the nation, the importance of maritime sector, that we dedicate to him one of the universities. For example you got the Bahriya University. It will be absolutely befitting if we named it HMS Choudri University. I think it will be a great act of our acknowledging the greatness of Admiral Choudri.

Aside from that the Museum. I remember in London the British Museum. I went out there. There was a whole section dealing with Nelson, the manner in which he built the British Navy and so on. Admiral Choudri's memory is so great, we have to preserve it and those of you have been associated with him serving officers, retired naval officers, who saw him work, who saw him build up the Pakistan navy, you are the best and so must carry forward his mission I promise that I shall join you in what ever you do to carry the mission of Admiral Choudri forward. He did it for Pakistan. He was a great son of Pakistan. We adore him for that.

I want to profoundly grieve that we have lost a very fine person. Mr. CM Latif, I had known him very well. He had some problems at times with the Attorney General Mr. Nazir Ahmed. And then I knew Mr. Nazir Ahmed too so many a time when I went to Lahore I had the pleasure of meeting him what a fine person. His contribution to building up an engineering organization in Pakistan at a time when needed it. The Batala Engineering Company was his great contribution, he had many many more plans but somehow or the other fate intervened and then he was unable to build up the Batala Engineering factory into the kind of unit that he wanted to, but any how, that many of those who had been training under him in Batala Engineering Company are today doing excellent work in some of your big engineering establishments in Pakistan. So in point of fact he too was a great pioneer. The passing away of Mr. CM Latif is a blow to all of us. We pray to Almighty Allah to bless his soul to the peace of heavens, and along with that we also pray to Almighty Allah to bless the soul of Admiral Choudri with the peace of the heavens and may the light that he showed to the people of Pakistan shine for ever and we, those who had the privilege of working with him, that we become the agents of the great mission that he had in mind, propagators of what he taught the nation. Admiral Choudri will live in our hearts

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and minds in and our souls and the greatness, the deeds that he did for the people of Pakistan and for the State of Pakistan, God Bless his soul always. And may I tell you how profoundly respectful I am for two great things. He has two wonderful sons, Rishad and Umair Choudri. The manner in which they have looked after their father is an example of the manner in which children should look after their parents. I talked to Admiral Choudri once and he said you know; I had a wonderful wife and she did so much for the whole family and these two children especially Rishad Choudri. He said they have looked after me in a manner that I had never expected, God Bless them. All that we can say to both his sons, we are grateful to you for looking after your father so well. He was not only yours but also ours, and we are grateful to you for the manner in which you took care of him. May God Bless you and your family, we all pray that the family of Admiral H.M.S. Choudri and all the children and their children, that they may continue the mission that the great man showed and the path he showed to the people of Pakistan. He was a great man. He will always live in the hearts and minds of the people of Pakistan. I will not forget him. I had total dedication for him, he was a wonderful man, even today the moral integrity in service, in public and private life that he gave us, still shines in the minds, eyes and I think about it. So in point of fact, may I again say how grateful we are that Rishad Choudri and your colleagues organized this meeting. We are here to pay our tribute to a very great Pakistani, to a very great Muslim, and to a very great man.

Thanks you.

Bismillahir Rahmanir Raheem



Mr. Mian Abdul Wahid

Mr. C.M. Latif was a visionary and a dynamic doer. He was often before the times in his ideas.

Dear members of this illustrious gathering, Ladies and Gentlemen;

I have been asked to say some thing but after what has been said, particularly by Mr. Qutubuddin Aziz, I find it very difficult to say some words about these two great brothers and two great personalities of the last century. Long time ago C.M. Latif once told me that when their soap manufacturing industry flopped and he advised the Admiral- Siddiq Choudri - to go and find his future in the Navy, and that he will find his fortune. They couldn't withstand the competition from Lever Brothers although they were manufacturing good product soap but couldn't compete with them. I know those days, I mean Batala engineering became a great industry. He was before any others. And when the British sent a delegation to Germany to collect their war reparations Mr. Latif was made a member of the delegation and given the rank and uniform of a Brigadier General. And I think at that time when he was given this honour there was no one even in the Pakistan Army who had this rank. In the industry he was the elder brother and I think in the whole of the

Among other qualities I remember Admiral Choudri for his great sense of humour.

subcontinent, even in India, in Pakistan, to establish such a large industry was a great feat. When Mr. Chou en Lai came to Pakistan, and some Chinese engineers also came. The capital goods industry, which is the back bone of all other industries while Germany and Japan and other industrial countries thrive because they have their own capital goods industries. We are behind India for many reasons but one major reason is that we do not have adequate capital goods industries in the country. And now we have to set up an industry we are obliged to use imported goods which are more expensive and if the industry is less competitive. It was a very unfortunate step when the industry was nationalized and taken over in 1971-72. And thereafter, I think no body could do any thing. Once General Zia ul Haq gave the task to General Saeed Qadir to hand over these industries, but he didn't handover BECO to Mr. Latif and Zia asked him why he had not been able to hand over, and he said he wanted to turn round the industries make them profitable and get rid of the losses. Now he should have known better because in no country in the world, state run industries have made profits, I was Ambassador to Italy and Italy had the largest boom. Industries used to have deficit of 50 billion dollars a year, so I think we did great damage to our selves to Pakistan and I think even up to today Pakistan's economy has not recovered from those nationalization or taking over steps which were taken in those days. The banks became bankrupt because then the political element came in and it was all spoiled as loans cannot be taken. If it was in private hands, the banks would have done much better and today I think the lines on which Ayub Khan has set Pakistan during his regime, whatever criticism may be, I think we would have been some where very high. Pakistan has become a

Admiral & Begum Raffia Choudri arriving for their wedding reception on board HMIS Godavari in Bombay.



Wedding of Admiral & Begum Choudri at Dr. & Mrs. Raiza Nazir Ahmed's Residence in Bombay-1945.



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really economically progressive society. Admiral Choudri and Mr CM Latif were each great in their own ways, because in the case of both brothers nobody can point any finger that they did some thing wrong, they always did some thing which was right with honesty, integrity and some thing which was good for Pakistan. I remember Admiral Choudri not only for his great personality and the great good thing that he did for Pakistan Navy but also his great humour. Even if we were sitting with someone in a very great depressed mood, he would say some thing and cheer you up. May God bless the souls of both the brothers, they died within, I think 10-12 days of each other's demise and they loved each other so much, when Mr. C.M. Latif got the news that his younger brother had died, I think he became totally quiet. He didn't speak thereafter. Thank you very much for the occasions and coming to this memorial to pay tribute to these two personalities.

Thank you.



Commander M.H. Askari

Bismillahir Rahmanir Raheem

I have had the honour of speaking on many occasions in this hall, but there was always Admiral Choudri presiding over the proceedings and therefore what we miss today very much is his presence but in any case such is life. Every body has to take the journey to eternity and Admiral Choudri's time had come. I just want to say a couple of things. Firstly a great deal has already been said about his career, his achievements and so on. One of the thing that need to be highlighted in my opinion. I think one of the great passions with him was to try and make Pakistan's defence, maritime defence, almost impregnable. If I understood him correctly, I am not a professional naval officer, I must confess, I was only a Public Relations Officer. But as much as I could understand what he was trying to achieve, I think he thought that without making the eastern part of Pakistan more or less self sufficient in its defence, the two parts of the country would not be able to progress and survive, and for this he struggled very hard to convince the government that the Chittagong naval base has to be built up almost in to a self sufficient, totally self sufficient naval base without any dependence from west. On the other hand brilliant generals like Ayub Khan, it was his theory that defence of east lies with the west. How any body can rationalize thinking of this type fails me. May be, I do not know enough about defence matters but sitting 1000 miles away with the sea and very hostile territory in between, I don't know how it ever occurred to him that the defence of East Pakistan could lie in West Pakistan. There must have been some reason why he thought so. Never-the-less the feeling remains with me that if Admiral Choudri's ideas had been accepted

One of the great passions with Admiral Choudri was to make Pakistan's defence, particularly maritime defence impregnable. Had his ideas been accepted the outcome of 1971 may have been different.

"I don't think that they are in a mood to accept the principles I am trying to fight for. Therefore the best thing for me to do is to get out of the way".

for whatever they were worth, then the situation in 1970 would have been very different from what it turned out to be. I have known Admiral Sharif and had the pleasure of serving with him. We were together on the same ship, once when we went on a goodwill tour to the Far East. Admiral Sharif can tell, as he had better knowledge of the problem, that as a matter of fact if the Eastern part would have been made self sufficient in naval matters rather than keeping it totally dependent on West Pakistan, it was possible that we would not have experienced such a large scale tragedy in 1971. And in case it did happen, we could have absorbed the shock. Anyway, this was in my mind, and this topic was not mentioned here so I thought I must point this out. The other thing that I must point out is that, as his Public Relations Officers, I always received the highest words of encouragement, affection, consideration and he would give us whatever resources we needed. And we had very limited resources to do our job, and we all felt greatly encouraged by that. I also might recall that just a few days before his death, I think about three days before his death, I was in Islamabad at the time, and I happened to be with Admiral Rashid Ahmed, who was Chief of Staff of the Navy until 1971. So Rashid, who happens to be related to me by marriage, and I started discussing Admiral Choudri Saheb. Rashid has an old Indian Navy list going back to 1945, which he took out, and talked about various other personalities whom we would be able to identify through the Navy list and amongst other things he said that "you know when Admiral Choudri went for his final debate with Ayub Khan and he came back and we discovered that he had decided to resign, Admiral Muzaffar Hasan and I went to him and tried to dissuade him in what ever he decided to do but Admiral Choudri insisted that it was a matter of principle with him and certain principle has to be accepted." He said: "I don't think that they are in a mood to accept the principles I am trying to fight for, therefore, the best thing for me is to get out of the way and let them go ahead and do whatever they think best for the country. And I will try and do what ever I believe is best for the country from within my own means and sitting out side the service." And I think up to the end he really did just that. I wrote a small piece for DAWN when I read the news of his death and in that I recalled the start of the meeting that Choudri Saheb had presided over. I think that was the last meeting when Admiral Ansari made a presentation of the recent study that he had carried out along with a retired Indian Naval Admiral. I remember I was sitting here approximately on the left hand side in the front row and I could see that Admiral Choudri was feeling more and more restless as the meeting progressed. He was in a wheel chair and then Rishad came and he decided to take him out of the meeting. That was the last thing I remember of Choudri Saheb. But I had the greatest support from him in my professional work and greatest amount of regard and affection from him with regard my

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personal problems and so on. After my retirement I used to come here very frequently and I always found him extremely interested to know as to what I was doing and what we were trying to achieve. I started working for the DAWN, and he wanted to understand the working of DAWN. So for me I think there are so many personal memories of the late Admiral that he will live in my mind probably for ever. So that's all about him I would like to say and let us all pray for his soul.

Thank you.



Bismillahir Rahmanir Raheem



Mr. Bashir Jhumra

Distinguished friends, admirers and family members of the late C.M. Latif and the late H.M.S. Choudri Saheb. I have been given the honour to express my very sad thoughts about the two departed old friends. Friends with whom I had the good luck and honour of cherishing their friendship for nearly 45-46 years. And this is with great sense of sorrow that I recall that these two great personalities both I shall say two great personalities of the 20th century. In their respective fields, one in the field of service to the Naval Forces and two, in the field of industry and entrepreneurship in undivided India and later on in Pakistan. If you allow me I would like to start with the elder brother because I find from my own very close contact with both of them that C.M. Latif Saheb was the real father-figure of Admiral Saheb elder by 4 years. He was the one who took the family out of that routine zamindara living in Batala as middle class land owners and then with the help and guidance of his illustrious mother, very loving mother, very enlightened mother, who gave them all the support and all the blessings as the mother should and could. They were asked to study and this was the mission which her husband had endowed her that you must educate the children, so this mission their mother carried out and it is not very normal all that living in that small locality that the children should go to F.C. college, both of them should do their matriculation before that, this was the time in the late twenties. So you can very well imagine the dedication and commitment of the mother to educate her children and not only the boys but also the girls so this was the start as they

Both Admiral Choudri and C.M. Latif excelled in their own fields.

In five years BECO became one of the five largest capital goods industries in pre-Partition India.

were growing up. C.M. Latif Saheb, related a number stories of their childhood together, living in that small village and the way they were brought up. Later on when they found that the Zamindara the part was not the thing to which they were going to adopt, they both brother during their education wanted to do some thing. So, as Latif Saheb told me, they both went to the Industries Director, Punjab, Lahore and told him that they wanted to industrialize India and he smiled.. And the Industries Director said: "you young people, first you educate yourselves If you are going to industrialize India then you should know some thing about industry. When they asked further questions, like a typical bureaucrat, he said: "Well, this is the decision which you have to make yourself." Without any further guidance, he just told them to go and study, It's a long story and I don't want to take your time. However, it so happened that both brothers completed their education at the university, and decided that since Admiral Saheb had been in the chemicals honours class of B.Ss, he knew how soap was made. So the soap industry was started. Technically they were perfect, and chemically it was a first class product. They had matched the lever brother's design and their formula, and they wanted to make transparent soap and lifebuoy soap which they did. But they did not know how to market it, and market was in the hands of baniyas would just not let them grow, they would take the goods on credit and put them on the shelves and when the collection time came, they would say, have a look we have not been able to sell it how can we pay you, so with the initial humble start in business, they were disheartened, both of them were disheartened. In the mean time you have heard already, I didn't want to repeat that there were advertisement from the government for the commission in the navy, Admiral Saheb was asked by the elder brother to go and join that, the family was deadly against that idea and Latif Saheb defied the majority opinion of the family and sent him. At his first attempt, Admiral Saheb was not successful, but, by the grace of God he was successful the second time, and was sent over to the UK for further training. He was the first Indian to be commissioned as Sub-Lieutenant in the Royal Indian Marines, as the Royal Indian Navy was then known. Thus, Latif Saheb was left alone to take care of their business on his own. But the spirit of enterprise in him made him start an industry in Batala, which, at that time, was one of the centers for small foundry business in India. The products of Batala's small industry were being supplied all over India. So with a very meager start, he started making Chara Cutting Machine. Thereafter, he started, making hulls for ploughs. He then added a few more items which were mostly of agriculture use and that was the humble beginning of BECO. The BECO story is very long but very interesting and motivating, because from that humble beginning, before partition, only in a few year

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Bata Engineering Company had gained the status of one of the five largest industrial under takings, capital industry under takings in India and they were paying taxes in lacs. So that was the magnitude of single-minded efforts before India was partitioned, it was the largest Muslim industrial outfit in the whole of India. When partition came of course, it became very difficult, and he has told me how he faced the difficulties and how the extremist Hindus wanted to loot everything. Anyway, after partition they came over to Lahore, where Makand and Steel Works people had vacated and migrated to India. So they exchanged Makaan-Steel Works for Bata Engineering company. So this is how the exchange was brought about, and re-establishment of BECO in Pakistan. At that time they had no money. Latif Saheb told me that he rushed over to the Bank where he was told that they were closing the 'Bharat Bank', and having gone over there he found them packing up their bags and baggage, wooden file cabinets and so on, and loading them on trucks. He told them that he had an account with the Bank in the name of Bata and he needed some money. The manager said he could not do anything at the time, but, asked him to present a cheque and the money would be paid to him in Karachi. So he immediately wrote out a cheque for the sum of Rs. 25,000 and sent it to his brother, Admiral Choudri Saheb and the cheque was cashed which became the capital for BECO to start operations in Pakistan.

C.M. Latif Saheb's entrepreneurship was so very energetically motivating that 75 acres Badami Bagh plant was established, and the quality of his products was at par with the best products produced in the continent of Europe. I went to the factory many times and it was a pleasure to see it. One could not realize that this factory was in Pakistan, with that kind of sophisticated machinery and outlets and the product they were making. Two years later BECO plant at Kot Lakhpat was established and that plant was no mean affair either; in a plot of 200 acres plus, the factory was established. To give you an idea of what Mr. Latif achieved, I would like to give you, in brief, some of the items that were being manufactured. In the Badami Bagh Factory, in 1947, a machine tool factory was started. Between 1949 to 1956 diesel engine production was started and the designs of those diesel engines were brought from the UK and from Farryman in West Germany. In 1956, 1500 r.p.m. engine design was acquired from the German company and in 1958 Air cooling engines were also added to the list. In 1952 water pumps were added and KSB pump manufacturing company was taken over in 1959. And then De-watering pumps from WAPDA for their scarp project were also added to the line. In 1952 power looms for the textile industry production was started and the output was 100 power looms a month in cooperation with Irvana of Japan. The Badami Bagh General Engineering Division heavy rolling mills, heavy

billet shading machines, furnaces, and super structures for the barrage gates and so on. Then in 1961-62 Kot Lakhpat plant came into being and they started making barrage regulatory gates, huge storage tanks for oil and chemicals, transmission towers lines for rural electrification, large shelves for bridges purposes of sugar mills and chemical plants and Kot Lakhpat rolling mill was also established with the 10,000 ton of steel production capacity. Then in 1964 a Bicycle plant was established, and this plant, incidentally, I had the honour and privilege to participate in its setting up and in 2 years we were able to bring up the BECO bicycles which had actually been initially brought up from a Dutch design which in my opinion and knowledge and experience was not fit for Pakistan. So the whole that scheme was scrapped. Multi-million rupees were involved in scrapping and BECO Board decided to take the British design and we were able to develop BECO bicycle in three models, Raleigh, Hercules and Philips and you have seen the quality of the product and the design. That was all in the spirit of entrepreneurship and spirit of friendship and totally and completely 100% sincere friendship with no pecuniary interest and all the money matters except that when the bicycle manufacturing was to be completed and its manufacturing started, I was going to head it, and my company was going to be the sole distributors. Unfortunately this did not materialize because of the dictatorship government policies at the time, and it was taken away from my hands as well. Nevertheless this was Latif Saheb's entrepreneurship, To the last day this friendship lasted between him and me. We used to share long telephone conversations lasting for an hour or an hour and half between Switzerland and Karachi., and this lasted right up to the last two weeks of his life, when we continued speaking with one another between Lahore and Karachi.

Admiral Saheb being the younger brother was another great man of the century. You have heard quite a bit about this illustrious officer, the first Pakistani Commander-in-Chief of the Pakistan Navy, from so many senior officers of the navy and other illustrious figures which again is an example of leadership, great leadership, and the spirit in which Pakistan was made and Pakistan's Armed Forces were built up. Admiral Saheb was a great friend of mine. Almost 47 years of very close friendship and if you recall in this very hall in Admiral Saheb's presence, we have participated in scores of seminars and meetings. Today with a very sad heart I say that Admiral Saheb is here no more.

The wonderful person, a wonderful officer and a wonderful leader and wonderful dedicated Pakistani. He was dedicated to Pakistan and its defence. The two missions, which were his goal after his retirement the FDMR and PIMA. I have the good fortune belonging to both of them and playing an active role in these two organizations. I hope the good work that Admiral Saheb had started will continue, and those of us who are now to carry the flags of these two institutions, would and should play our part so well that we should actually feel that Admiral Saheb is among us and

The BECO's range of quality engineering products increased dramatically under Mr. Latif's stewardship.

Mr. Latif's motto: dedicated work, truth, Justice.

Remembering the Two Pioneering Industrialists of Pakistan

his spirit is with us to lead and to guide us. Well, I have a lot to say, time is too short but in the end I would only like to add the thought which Latif Saheb shared with me. It was his wish that the following words be put on his tomb stone after his death. It shows the inner feelings of the gentleman who was Mr. C.M. Latif. "Please write on my tomb", he had said: "this man's life motto: Dedicated work, truth, justice, peace, no corruption, no egos, no violence, glory be to the Almighty Allah, creator of all human beings, the legends and races". This was what he wanted to be remembered as. And for both the great illustrious brothers, I am going to recite the persian couplet which Allama Iqbal (R.A) had written before departing from this world. I think this couplet is most befitting for these two great men:

*sunood-e-rafta baaz ayad ke na ayad
naseem-e-az hijaz ayad ke na ayad
saramad roozdaare in faqiri
digar danaaye rast ayad ke na ayad*

*Mystique of the days gone by may never come again or May ----
The morning breeze from Hijaz may never come again or May ----
The days of this humble being are over -----
The other one with, 'that' vision may never come again or May ----*

These are the two great personalities who lived during the 20th century in the sub-continent of India and Pakistan and who have played a very dominant role in the development and security of Pakistan. May God Bless both the brothers and my very dear friends. Both I respect very much. Thank you very much.

Front Row L to R:
V/Adm S.Iqtidar
Hussain, Adm. M.Sharif,
Adm. Saeed M. Khan,
Adm. Iqbal F. Qadir,
Adm. Yastural Haq
Malik. Also seen
Mr. Qutubuddin Aziz,
Cdr. M.H. Askari,
R/Adm. S. Z. Hasnain,
Mr. A. Kalam,
Mrs. Hasnain



Admiral Sharif, Admiral Malik,
General Lodi, Distinguished Ladies &
Gentlemen.



Rear Admiral Sajjad Akbar

We are gathered here today to remember one of the great personalities. One of the advantages of being one of the last speakers is that a lot has been said, so I will not be repeating too much of it. But there will be a little bit repetition but I will make it short.

During my naval career I never had the opportunity to serve close to Admiral Choudri because when I joined in 1953, he had just taken over the command and I participated in the inaugural parade. Soon thereafter and I went to the UK for my naval training, I returned to Pakistan in 1957, and a year later, in 1958, the Admiral resigned and left the Navy. But, even when I met him - many times - I was too

junior so naturally I did not work close to him. But we all knew Admiral Choudri because he had a very good reputation. He was known to be extremely honest, upright, straight forward and highly dedicated a professional officer. That was his reputation in the navy. After my retirement from the service in 1991, I had the opportunity to work close to him, in fact he was very much interested in maritime sector, and he formed the Pakistan Institute of Maritime Affairs (PIMA), and I was helping him. While working close to him, I realized that here was a man with the interest of the navy and the merchant navy, if there was one, and that was Admiral Choudri. He was extremely keen to bring awareness of the importance of maritime sector for the security and development of the country, he repeatedly stressed that our economy is entirely dependent on the sea trade and that enough attention was not being paid to increase our shipping sector. He also emphasized the need for the development of deep sea and coastal fishing. He possessed the highest ideal of morality and integrity. When he noticed that the people were losing these values he repeatedly stressed the need for character building of the young generation and wanted the media to assist in the achievement of these objectives. Ladies and Gentlemen, it is difficult for me to find an adequate word to describe this super man. He was so simple, straight forward, kind, considerate and always made an effort to make you feel so relaxed and natural. But his dynamic personality exerted a very compelling force on you and inspired you to join him in the noble and selfless task that he always had in mind.. He was not only exceptionally enthusiastic but also very persuasive in achieving results in schemes he initiated under his able guidance. Once an idea came to his mind, he would not forget it, he would continue to pursue it. That was his big quality. His life was ruled by the loftiest consideration of selfless service to the country and he always displayed highest sense of patriotism and self-righteousness. The standards set by him of whole hearted dedication, devotion and patriotism are really praise worthy. His loss is not only for his family, friends and colleagues but all those who knew him. He is no more with us but his memories would remain with us for ever. It will not be possible to fill this vacuum created by his departure. Ladies & Gentlemen, the best homage that we can pay to this great man is to bear in mind his lofty ideals, strive to follow in his foot steps and continue the good work started under his guidance. The institutions that he talked about and those he established with so much of hard work and self sacrifice should continue in the manner that he would have liked them to do. Ladies and Gentlemen, I do not want to make a long speech. Enough has been said. So thank you indeed for your patient hearing.

*He was so simple,
straight forward, kind
and considerate. He
always made an effort to
keep others feel relaxed
and natural.*

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Vice Admiral Iqbal F. Quadir

Bismillahir Rahmanir Raheem

Rishad Choudri, Umair Choudri, Ladies & Gentlemen, The hall without Admiral Choudri is never the same. But I hope if his spirit is watching us from above, I am sure, it will be thankful to all of you for coming. Especially Admirals Sharif, Yastoor ul Haq, Malik and Saeed Mohammad Khan.

Amongst the galaxy of leaders that this country has produced, Vice Admiral Choudri stands out unique, honest, truthful, forthright, forceful, always confident, smiling, cheerful, warm, friendly, considerate, close yet maintaining his distance. But most of all he had the ability to get the best out of all those who served under him and those he came across. He was a true leader of men. What made him outstanding amongst the galaxy was his ability to remain highly self-disciplined even at the top when there was no one to check him he always practiced what he believed in and expected others to follow. And in the true spirit of Islam, he never preached but set the model for others to follow by personal exemplary behavior. All throughout his life Admiral Choudri remained a man of stature and unlike most other leaders of this country in their diverse fields of activity, who when at the top of the hill looked rather small because of their failings that manifested themselves at that stage, he always remained a tall beacon for all to see and to respect, and to follow.

I had served under Admiral Choudri as Flag Lieutenant during the last 2 _ years of his naval service. Due to Field Marshal Ayub's constant hostility towards him for reasons well known, this period was perhaps the most difficult of Admiral Choudri's long tenure. In the short time available, I shall mention some of the incidents that took place at that time.

Not that I am against Ayub Khan, but because history should be known. So I come to the first point, which has been mentioned by Admiral Zahid Hasnain, about the contract for submarines which was written. It is a fact that the contract was ready for signature.

Admiral Choudri and the Defence Secretary were supposed to go to Sweden to sign the contract and I think Admiral Hasnain had some thing to do with it, because he had made some secret visits, I remember, to Sweden for the purpose.

In actual fact there was a dinner before Admiral Choudri was to go, at which the Swedish Ambassador offered me a cigar, saying: "Let this be a foretaste of more to follow after cooperation with us." Unfortunately, that was not to be. Because the same night there was another dinner and the intelligence suspects

that indiscretion was carried out by the Defence Secretary's wife, and Commodore Beloe came to know that the Defence Secretary was leaving for Sweden with Admiral Choudri the next day. He was an intelligent man and realized what was happening. He immediately, according to intelligence, contacted Lord Mountbatten who spoke with the British High Commissioner. The next morning, early next morning the British High Commissioner went to the Prime Minister and offered any British submarine which the Pakistan Navy desires, free of cost. So that was the end of that programme. According to an Australian who wrote a book pertaining to Navy. He wrote to me to say that during his research, probably in Thailand, he found Lord Mountbatten's papers that the British Government opposed, strongly opposed the transfer of Ghazi to Pakistan by the USA in the sixties. He obviously then decided to give the submarine to us. There was another important thing during this period that happened, which unfortunately did not come through. I was not concerned with it as I was the Flag Lieutenant. But I remember he started some thing called the revolving fund. The idea was to save money from the budget and credit to the revolving fund so that ship construction could also be started, But I don't think much came out of that project after he left. Under Admiral Choudri the Navy launched a submarine acquisition and construction project!!

Under Admiral Choudri the Navy launched a submarine acquisition and construction project.

Well, coming back to what I had said earlier, matters remained strained and the reason for that is perhaps known to all. Admiral Choudri strongly opposed all the time his being the Supreme Commander of the country, and Ayub Khan was very keen to become the Supreme Commander. That being the pattern in the British days in India. The Army chief was also the Supreme Commander of the three services. Admiral Choudri was strongly opposed to it and stood against it all the time on principle. And that made him very unpopular with Ayub Khan.

Let me mention another thing. Matters became such that there was another element, that was perhaps because Army officers were senior. Musa was a four-star general, while Admiral Choudri was Vice Admiral three star so there was a patronizing attitude which Admiral Choudri never could stand. At a Combined Chiefs' Committee Meeting, I remember overhearing Admiral Choudri saying to the Army Chief General Moosa something like, "Do you have a mind of your own, must you always be His Master's Voice?" No wonder then that on the one occasion Admiral Choudri did not go the office with a severe attack of flu. At that time Mr. Iqbal was Staff Officer, Intelligence. He informed me that a special secret medical board has been ordered by Rawalpindi to check immediately Admiral

Admiral Choudri was a true leader of men - he practiced what he believed.

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Choudri's state of health. I rushed this information to C-in-C and within minutes the Admiral was in his office in uniform. About half an hour later a call from the house informed him that a medical team arrived to see the Admiral but finding that he was in office, had gone back. However, no one from the government ever contacted NHQ about this surprise visit.

On another occasion, in December 1958, the Admiral took leave and went to Lahore. Ayub had by then taken over the reigns of government in his October coup. I proceeded to Rawalpindi and there a relative in the Army invited me to the New Year's Eve Celebrations at the Pindi Club. There, based on what I had heard from some responsible army officers I realised that some conspiracies against Admiral Choudri were afoot and that daggers had apparently been drawn. So I rushed to Lahore and informed the Admiral. Sure enough, soon after his break in Lahore, at a meeting with the Field Marshal (held after orders were issued by him to lay off the cruiser Babur without consulting Admiral Choudri), the latter handed in his pre-prepared letter of resignation (before the Field Marshall could have had the pleasure of 'firing' the Admiral from his post!!)

After the government announcement of Admiral Choudri's retirement at his own request and naming of his successor, I called on Commodore Khan the C-in-C Designate to find out the procedure, protocol and ceremonial that he would like to be followed for the outgoing Commander-in-Chief. He kept quiet at first and then in a low voice replied that they have told him that Admiral Choudri should depart without any ceremonies and without having any meeting of senior naval officers. I was taken aback and stated how could that be for a person who has given so much of his life to the navy and the country and really built up what was then a modern navy in the region. He agreed but indicated helplessness because of the orders he had verbally received.

I then hurried to see Captain Ahsan who was D.C.N.S.(P) and told him of the events. Captain Ahsan in his usual manner said: I should do what he should have been doing as Flagg to the C-in-C. and invite Commodore Khan and him in my room in the Admiral's house where I lived. However, encouraged by D.C.N.S.P.'s further words, I cautiously invited the C-in-C Designate in my room for the next evening. To my utter surprise he readily accepted. We three met as arranged and again the day after that in what was my bedroom - Admiral Ahsan and myself discussed and

pleaded with Admiral Khan for him to take up the matter of ceremonies for Admiral Choudri with the President. At the end of almost one and half hour's session on the second day Commodore Khan agreed and a couple of days later he told me that the President has allowed a minimum of ceremonies for the C-in-C's departure. For me it was the thin edge of the wedge and later Admiral Khan authorized an unprecedented scale of farewell ceremonies ever witnessed in Pakistan. I do not think any one was the wiser of the historic event that had taken place in the Flag Lieutenant's room in the Admirals' House in Karachi.

However the saving grace is that God has been kind to Admiral Choudri materially and in terms of opportunities to serve and lead a meaningful life.

Everyone knows that he never felt below his dignity to talk to the juniors in the Navy.

The Admiral also opposed the principle of Army Chief becoming Supreme Commander as this was harmful for democracy in Pakistan. Later events proved he was right.

Chinese Prime Minister Chou En Lai being shown BECO Badami Bagh works in Lahore by Mr. C.M. Latif & Mr. Sharif Choudri.



In Mr. Latif's own words to me, there was a time when his father could not easily afford their schooling. So Mr. Latif and Admiral Choudri decided to make soap in a factory set up on their agricultural lands and sell the same in Batala Town and elsewhere. Their earnings helped the studious Siddique go to school. God was kind to them, they worked hard and all made good. From making soap Mr. Latif changed to a steel oriented engineering workshop, eventually the Batala Engineering Works that he exchanged on independence with a Hindu owned workshop in Lahore. Latif Saheb was a true entrepreneur, and if Admiral Choudri was a great leader of men and ran the Navy in a corporate manner, a word the business community devised much later, Mr. Latif was a man of great ingenuity, of spirit of entrepreneurship and most of all vision. Long, long before the government realized the importance of heavy industry to the country Mr. Latif went ahead building the once famous Batala Engineering Co, now sadly lying decrepid after three decades of running by mighty civil servants. In the fifties, BECO was not only capable of producing heavy lathes, marine and motor vehicle engines, and heavy duty pumps etc., but was capable of manufacturing complete tank

Mr. C.M. Latif was a true entrepreneur. The possibility of Pakistan having a Tata like industrial conglomerate was snuffed out by nationalization.

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Units except for the gun and tracks. Mr. Latif even asked the government for permission to obtain from abroad tank track manufacturing facility but the government showed little interest in indigenous production of tanks or other heavy machinery or industrial goods. It wanted every thing to be imported under some aid program or the other. Thus the possibility of Pakistan having a Tata like industrial conglomerate was completely snuffed out and most shockingly, Mr. Latif's brilliant talent and supreme efforts to meaningfully industrialize the country was laid to waste. May God grant both brothers the

honour and peace in heaven that they rightly deserve.(Ameen).

[On behalf of PIMA,FDMR and Admiral Choudri's family including his sons, grand children, nephews and neices, his retired and serving colleagues in the Pakistan Navy, his colleagues in the seafaring community, the armed forces, industry, civil services and all his other respected friends and colleagues who have supported him in the PIMA and FDMR may we thank you all for coming and joining us to honour his memory.

A FDMR and PIMA memorial meeting of the relatives and friends was held in Karachi on March 27, 2004. The meeting echoed with unforgettable recollections of the unique achievements and sweet memories of the departed souls.



Mrs. Raffia Choudri leads PWNR march past.



Admiral Choudri presides over PIMA seminar with Admiral Saeed Mohammad Khan beside him.



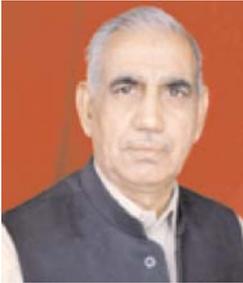
L to R Admirals K.R. Niazi, Iftikhar Sirohey, H.M.S. Choudri, Fasih Bokhari, Muzaffar Hassan & Yasturul Haq Malik

Legend Latif Lived in the Hearts of Workers

The following brief lines are just a few specimens of spontaneous impressions of some of Beco staff members about their great boss. In fact there are no two opinions about the fact that Latif lived in the hearts of people.

Latif A True Patriot and Committed Industrialist

Latif was a true patriot. He loved Pakistan immensely and devoted his head and heart to industrial development. He had a strong passion to keep the industrial atmosphere free from all sorts of moral pollutions and financial corruptions.



Rafique Tabassum

Joined Beco in 1957,
as Despatch Clerk.

Retired as Assistant-
Manager in 1974.

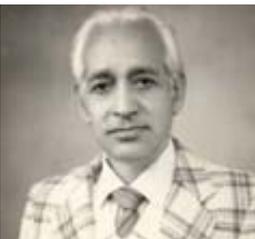
A Lighthouse of Inspiration, Education & Guidance

Latif not only helped the growth of industry in Pakistan but also played a role model for the emerging industry of his time. He was the first industrialist in the sub-continent to introduce Meter, Kilogram and Second (MKS) System, thereby laying the foundations of high precision engineering products.

He was a great source of inspiration, training and guidance for his staff. Thus goes a Chinese proverb: "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for life." Latif helped thousands of people to learn skills and earn their livelihood with honour and dignity.

Latif was a God-fearing person. He believed firmly in justice and fair dealing in business matters and all departments of life. In fact he was a legend of charming values and virtues of life.

May Allah Almighty shower His unlimited blessings on the departed soul. Ameen.



Fateh Muhammad Bhatti
(Incharge Photographic Department)

Joined Beco in 1952
and thereafter 30 years service.

A Model of Moral and Professional Calibre

Mr. Latif was a light house of moral virtues and professional qualities. He practised truth and uprightness all his life and liked truth from others. He had no liking for boot lickers and back biters. He was endowed with a strong will power and decision making.

In the realm of business he was a tough negotiator and successful bargainer. In fact Mr. Latif is the undisputed founder of the industrial engineering base in Pakistan. His uniquely commendable professional services have been duly acknowledged nationally and internationally.



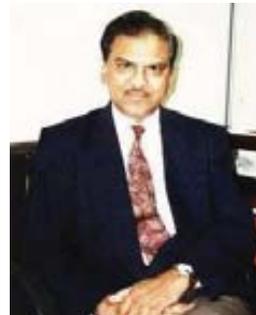
Eng Mahmood Husain

Joined Beco in 1956.

Latif Shared the Joys & Sorrows of Workers

C. M. Latif believed and practised corporate democracy. Personal pride was none of his characteristics. He could boast of a team of skilled professionals and hard-working staff around. Latif had the habit of working for long hours with no signs of any fatigue. He would never ignore happy or sad occasions of the employees. The staff was always on invitees list of his private ceremonial functions.

I learned the sad news of his death on 9th March, 2004 thousands of miles away from Lahore. The lion of Batala who once roared so thunderously in Pakistan's industrial arena was silent at last. May God bless his soul !



Zahid Hussain

26 years service at Beco,
starting with Procurement
Department

The harsh reality

This is the end of this brief narration punctuated with varying admixtures of gloom and glee. The manifest and hidden horrendous roles of some high grade national draculas marring various vital stages of this tragic story appear simply devastating. It, therefore, looks imperative to immortalize the shattering memories of their Satanic deeds in the most befitting manner lest they fade away into oblivion and the hard facts undergo distortion or atrophy.

An acknowledged national dracula is usually a notorious rascal. He is a blood-sucking vampire of the most deadly species. While in office and power he poses to be nothing short of the most highly-sung national hero. He is invariably surrounded by opportune and volatile gangs of hymn-singing henchmen. Naïve and innocent people become easy victims of the illusion that he is a born national saviour. However, the day he is detected and made to quit office and power the real contours of his actual hidden personality and character begin to unfold fastly.

Befitting Recognition Essential: Some draculas and the unprecedented holocausts they wrought in their heydays in the field of national industry have been plainly identified at relevant places in the text of this revealing study. Unfortunately, however, the number of such rascals still continues to register an alarming spurt. It is, exceedingly irksome to enlist and portray precisely the true nature and modus operandi of all such crafty creatures. Nevertheless, befitting compliments to their infinite Satanic propensities obviously also appears essential in national interest.

Contours Identification Exercise: We have accordingly

designed here a small educative art game to facilitate immortalizing the nasty, albeit lesson-yielding, natures of some such wonderous draculas. Given below are just a few empty picture boxes. Just recall any notorious dracula and inscribe his blessed name in one of these empty boxes.

Then focus your gaze over the box intently for quite some time. Soon the hazy and the manifest contours of the concerned dracula will start taking a meaningful shape inside the empty box. You may then line thickly all those gradually clarifying horrendous contours with a black marker. Keep on filling each emerging contour in various given empty boxes. You may even add additional empty box slips for as many supplementary rascal profiles as you please. A day will soon come when you will have a fairly large collection of all the ugly national draculas. You may then get photocopies of the entire lot and paste them on the walls of your study. This will serve as a small revealing gallery of some unforgettable national rascals a sizeable account of whose industrial atrocities is patent on record for public education. Once forcibly acknowledged as national “heroes” they have at last been detected and assigned their true places in the immortal gallery of national rascals and scoundrels.

Some Catharsis & Solace: Countless miserables still continue to be draculized mercilessly in small and big matters of their daily life. Besides its intrinsic historic worth such a purposeful exercise is sure to provide some catharsis and comfort to all such and similar other miserables who still continue to be draculized and victimized mercilessly in their everyday life in the Islamic Republic of Pakistan.



A tree's height can only be measured properly after it falls!

Ending the sad history there is a human comparison to be observed. It is worth-while mentioning that during the period 1932-1971 (40 years of Beco's history), Beco was founded and promoted by one person Mr. C.M.Latif, who held the posts of Managing Director and Chairman. But then during the period 1972-2005 (34 years) his replacements by the Government of Pakistan which amounted to 18 persons who held the same post, sank this August ship in the vast ocean of human greed simply “to make hey while the sun shines” with all the assets buildup by others.

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Latif Continued Unfolding Vigorously the Unpleasant Truths

The publication on the right dated 21st Feb, 1999 was one of the last ones in English which Mr.C.M.Latif published in all the daily newspapers of the country, before quitting his efforts of almost 30 years, started in early 1970's, to make the Government of Pakistan and the public, aware and save the national asset Beco/Peco from being destroyed, which he had build with his hard work over 40 years of toil and talent.

As is now evident in the year 2006, that, he failed in his Herculean efforts, like many of his other country men to preserve their heritage from the earlier myopic previous governments and their greedy henchmen.



Pakistan economy in serious crisis

Need for immediate solution compatible with Quaid's legacy of democracy

Pray our God fearing Ummah! Do realize that development of economy is our first and foremost need to achieve prosperity and liquidate foreign and other debts.

We solidly believe in Pakistan and its sovereignty and independence.

Since Z.A.Bhutto's rash and unwise nationalization of industries, all our knowledgeable individuals and successive Governments have engaged themselves in much gainful dirty political power games, ignoring the essential needs of economic revival.

There is need for clean, selfless, greedless, politics to help Pakistan's economic revival.

EXAMPLE.....

Please compare BECO'S performance of 40 years under private management known as the **symbol of Pakistan's** industrialization. Compare its (BECO) balance sheet of 1971 with PECO's present one which shows only losses & losses. BECO'S stock market price was then Rs. 35.00, now it is only Rs. 2.75.

Latest advertisement about the PECO by privatization commission is a smokescreen for selling its vacant land on which everything is completely destroyed including know-how built during 40 years of hard work. In fact this advertisement is not for privatizing (reviving) PECO as an industry, but for selling its land for real estate purposes. Private sector's repeated offers for PECO's revival with Government participation after negotiations have been ignored by all successive Governments.

C.M. LATIF
FORMER CHAIRMAN, FOUNDER & MANAGING DIRECTOR OF
BECO

Below are two reproductions of publications printed in all the daily newspapers on 15th Feb, 1996 and 19th Oct, 1997 respectively by Mr.C.M.Latif, in his pursuit to spread common information and showing his helplessness in matters of Beco/Peco.

THINK BEFORE IT'S TOO LATE

You must learn to hate violence and love non-violence and peace.

You must learn to fight evil, without doing evil to any one.

You cannot heal hatred with hatred, but only with love.

Let us follow Quaid-e-Azam's teachings and make Pakistan the country of his dreams.

Pakistan has given so much to us. What have we given back to Pakistan?

Wishing Batala Engineering Co. Ltd. (BECO)

(National Asset) revival past glory and also its other sponsored units prosperity.

C.M. LATIF
BECO FORMER CHAIRMAN AND MANAGING DIRECTOR

2-Kashmir Road, Lahore. Tel: 6369161 Fax: 6364822

FOOD FOR THOUGHT

You must learn to hate violence and love non-violence and peace.

You must learn to fight evil, without doing evil to any one.

You cannot banish darkness with darkness, but only with light.

You cannot heal hatred with hatred, but only with love.

Best wishes and love to all Happy memory previous years flower shows & **Eid Mubarak.**

Wishing Batala Engineering Co. Ltd. (BECO) (National Asset) revival past glory and also its other sponsored units prosperity.

C.M. LATIF
BECO FORMER CHAIRMAN AND MANAGING DIRECTOR

Visit & See Bloody Sites of the Horrendous Take-Over Crimes

Summarized in the preceding pages are just some of the tragic details of a highly horrifying greed-and-grab game. Its abnormal and abnoxious dimensions are simply shuddering. All patriotic people are cordially invited to ascertain the truths personally by visiting the all too deserted sites where the state-manorvured drama of loot and destruction was in session all the time ever since the tragic national calamity of the Take-Over by the highly myopic government and their equally - senseless official functionaries.



Whatever remains of the **Main Factory Gate** is being blocked by empty tractor-trolleys, though on the left the old (year 1950's) factory office building is still visible.

The desolate **Main Factory Gate**, with its meaningless sign board, in Urdu, reminds that this was once an entrance to a busy, thriving and forward-looking industrial hub of the nation.

Author's Note

This book will certainly intrigue and inspire those who have lived through the turmoil's of a growing nation. The narrative style could have been different if the recording of events during the life of BECO was carried out from its inception to date, with the far sighted knowledge that one day its history will be left to be preserved on paper, while its actual standing factories have been raised to the ground. On the other hand we can reasonably presume that such planned preconceived forward looking approach is hardly ever undertaken in the daily events during the flow of time and human activities of even outstanding citizens or identities, unless they are national events of a country.

Though this is not true in case of developed countries, where societies create proper structures for the benefit of their future generations to record and preserve aspects of all important daily events no matter how meagre.

There-fore if a reader happens to find in Pakistan such proper compilations, it must fall in the criteria of rarity.

This book has been coordinated, to be put together almost 35-years after the beginning of the demise of BECO's industrial Empire and when all the founding members were no more living to contribute to these pages, after what they created between the years 1932-1971, which was subsequently taken-over by the Government of Pakistan and turned it into a industrial grave-yard by bits and pieces.

Hence the desire to salvage what ever memories could be preserved, became the object of the book, with this singular thought in mind the author proceeded along with family members and friends not to let what was achieved at BECO fade.

Further-more the documents which have been reproduced in chapter-3 pertaining to the events after the take-over of the company gives a very good case study, as actual evidence is still very much on the ground, of how Government of a country can damage virtually its own production centers and in its mist create large scale poverty, while falsely claiming that it has done other-wise.

World history reveals that such type of self inflicting actions has mostly been carried out in under-developed countries, where the need is most to do exactly the opposite.

BECO is a living example of one such action taken on 1st of January, 1972, which gradually resulted with the collapse of its manufacturing infrastructure, while having negative repercussions in the society of Pakistan which was exposed to its existence.

Never-the-less, where we were lacking in words, photographs and scanned material has been used to adequately give the reader a sense of connection to what was the reality of BECO and what has been lost by Pakistan at the time (commencing from the year 1971-72), besides one of its eastern wings, previously known as East Pakistan (now called Bangladesh).

Author
Manzar Latif

My Inspiration (Views of the Next Generation)

Do you have a passion? A passion that defines and drives your existence? Provokes your ventricles? Pitches tent in your heart? Ferments your subconscious? And ultimately becomes the ecstasy of your spirit?

If I were to answer that first question, at any junction in my life, I would state the same response a thousand times. I do. One inspired unconditionally by the protagonist of this publication.

Chaudhary Muhammad Latif.

He was a motivator, an achiever, an organiser who valued setting an example for generations to come. C.M. Latif played a direct role in modernising a new country by fulfilling his desires of establishing BECO as a pivotal engineering company. Had it not been for the Government's nationalisation scheme, Mr. Latif would have had revolutionised industry in Pakistan completely. His ability to lead individuals is inspirational for all, especially in Pakistan, where people are turning a blind eye towards the greater goodness found in others. He believed in this country and we should all reverberate with him on his belief.

My calling in life, as galvanized by C.M. Latif, revolves around picking the rubble of his work with the help of others, which dealt a severe blow due to cutthroat politics and rebuild it to the stature it once was. For this revival venture to be successful a joint international collaboration project would be extremely beneficial. It will not only act as a safeguard mechanism to shield his company from future devastating political policies but also mediate positive relationships between countries on a larger scale.

The field of engineering is a very influential tool that allows flexibility in making changes to environment, society and economies and its use brings with it accountability, as it is a vital aspect concerned with human development. Through the main business enterprise of re-establishing Mr. Latif's company, it is also vital to stem out and provide for the development of local communities. Just like he envisioned for the future. Greener projects, schooling and financing of required institutions be it mosques, schools, hospitals etcetera.

In a nutshell, he has stimulated the desire in me to want to become a part of his aspirations.

As the author of this book discloses the reflections of his life, please ask yourself if you would define his characteristics as those found in true leaders.

Allow the achievements of his life to inspire you to dream, in the least. Let him reach out to you so that you may understand the ability you possess as an individual to conquer new heights. Something's are always achievable. Being able to risk dreaming is one of them. Just like he did. Even the Government can't deprive you of that.

Madiha Latif

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