

Notice of Uncontested Sanctions Proceedings

October 30, 2024

**Sanctions Case No. 764
IDA Credit Numbers 5497-PK and 5498-PK
(Pakistan Dasu Hydropower Stage I Project)**

**Respondents:
Nishan Engineers (PVT) Limited
Mr. Muhammad Ali**

1. On July 16, 2024, the World Bank's Chief Suspension and Debarment Officer (the "SDO") issued a Notice of Sanctions Proceedings (the "Notice") to Nishan Engineers (PVT) Limited ("Nishan") and Mr. Muhammad Ali ("Mr. Ali") pursuant to sub-paragraph 4.1(a) of Section III.A of the Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects issued by the Bank on November 30, 2023 (the "Sanctions Procedures").
2. The Statement of Accusations and Evidence (the "SAE") prepared by the Bank's Integrity Vice Presidency ("INT") and appended to the Notice contained INT's accusations that the Respondents engaged in Sanctionable Practices (as defined in the Sanctions Procedures) in connection with the above-named project (the "Project"). The SAE also contained the evidence gathered by INT in support of these accusations.
3. The specific accusations made by INT in the SAE were that: (a) Nishan and Mr. Ali engaged in a fraudulent practice by participating in the preparation of prequalification applications and bids for several construction and relocation contracts under the Project and failing to disclose therein that the purported sole bidder submitting the bids and applications had subcontracted all, or a significant portion of, each of the several contracts' works to Nishan; and (b) Nishan and Mr. Ali engaged in a fraudulent practice by participating in the preparation of a bid for a construction contract that falsely declared that no fees or commissions had been paid or were intended to be paid in connection with the bid.
4. Based on a review of INT's SAE conducted in accordance with sub-paragraph 4.1(a) of Section III.A of the Sanctions Procedures, and pursuant to sub-paragraph 4.1(c), sub-paragraph 9.1, and sub-paragraph 9.4 of Section III.A of the Sanctions Procedures, with due consideration of the factors set forth in sub-paragraph 9.2 of Section III.A of the Sanctions Procedures and in the World Bank Group Sanctioning Guidelines, the SDO recommended in the Notice that the Respondent, together with certain Affiliates (as defined in the Sanctions Procedures) where so specified, be sanctioned as follows:

Respondent 1
Nishan Engineers (PVT) Limited
("Nishan")

Recommended Sanction: Debarment with Conditional Release
Minimum Period of Ineligibility of Three (3) Years and Four (4) Months

It is recommended that Nishan (together with any entity that is an Affiliate directly or indirectly controlled by Nishan) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project; provided, however, that after a minimum period of ineligibility of three (3) years and four (4) months, Nishan may be released from ineligibility only if Nishan has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group's Integrity Compliance Officer that Nishan has complied with the following conditions:

- (a) Nishan has taken appropriate remedial measures to address the [S]anctionable [P]ractices for which Nishan has been sanctioned; and*
- (b) Nishan has adopted and implemented, in a manner satisfactory to the Bank, integrity compliance measures as may be imposed by the World Bank Group's Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the [S]anctionable [P]ractices.*

In determining this recommended sanction, the SDO took into account, as aggravating factors, Nishan's engagement in a repeated pattern of misconduct, which involved tenders for four separate contracts and two

¹ For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.

different types of fraudulent practices. The SDO also took into account, as a mitigating factor, the passage of time since Nishan's misconduct and since the Bank became aware of it. The SDO did not apply any additional aggravating or mitigating factors, including the aggravating factor listed in paragraph 5.2 of INT's Statement of Accusations and Evidence.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.³ The Bank will also provide notice of this declaration of ineligibility to the other multilateral development banks ("MDBs") that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the "MDB Cross-Debarment Agreement") so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the MDB Cross-Debarment Agreement and their own policies and procedures.⁴

Respondent 2
Mr. Muhammad Ali ("Mr. Ali")

***Recommended Sanction: Debarment with Conditional Release
Minimum Period of Ineligibility of Three (3) Years and Four (4) Months***

It is recommended that Mr. Ali (together with any entity that is an Affiliate directly or indirectly controlled by Mr. Ali, including, but not limited to, Nishan Engineers UK Ltd. and Nishan Trading UK Ltd.) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed

³ Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank's Procurement Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines, as defined in the Sanctions Procedure. Id., Section II and sub-paragraph 1.1(c)(i) of Section III.A.

⁴ At present, the parties to the MDB Cross-Debarment Agreement are the Bank Group, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group. The MDB Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the MDB Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the MDB Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the "opt out" clause set forth in the MDB Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs.

contract, financially or in any other manner;⁵ (ii) to be a nominated⁶ sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project; provided, however, that after a minimum period of ineligibility of three (3) years and four (4) months, Mr. Ali may be released from ineligibility only if Mr. Ali has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group's Integrity Compliance Officer that Mr. Ali has complied with the following conditions:

- (a) Mr. Ali has taken appropriate remedial measures to address the [S]anctionable [P]ractices for which Mr. Ali has been sanctioned;
- (b) Mr. Ali has completed training and/or other educational programs that demonstrate a continuing commitment to personal integrity and business ethics; and
- (c) Any entity that is an Affiliate directly or indirectly controlled by Mr. Ali (including, but not limited to, Nishan Engineers UK Ltd. and Nishan Trading UK Ltd.) has adopted and implemented, in a manner satisfactory to the Bank, effective integrity compliance measures as may be imposed by the World Bank Group's Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the [S]anctionable [P]ractices.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, Mr. Ali's engagement in a repeated pattern of misconduct, which involved tenders for four separate contracts and two different types of fraudulent practices. The SDO also took into account, as a mitigating factor, the passage of time since Mr. Ali's misconduct and since the Bank became aware of it. The SDO did not apply any additional

⁵ For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

⁶ A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.

aggravating or mitigating factors, including the aggravating factor listed in paragraph 5.2 of INT's Statement of Accusations and Evidence.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.⁷ The Bank will also provide notice of this declaration of ineligibility to the other multilateral development banks ("MDBs") that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the "MDB Cross-Debarment Agreement") so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the MDB Cross-Debarment Agreement and their own policies and procedures.⁸

5. Neither of the Respondents submitted an Explanation in accordance with sub-paragraph 4.2(b) of Section III.A of the Sanctions Procedures.
6. Sub-paragraph 4.4 of Section III.A of the Sanctions Procedures provides that if a respondent does not contest the accusations or the sanctions recommended by the SDO in a Notice of Sanctions Proceedings by submitting a Response (as defined in the Sanctions Procedures) to the World Bank Group Sanctions Board (the "Sanctions Board") within ninety (90) days after delivery of such Notice of Sanctions Proceedings, the sanctions recommended by the SDO shall enter immediately into force.

⁷ *Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank's Procurement Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines. Id., sub-paragraph 1.1(c)(i) of Section III.A.*

⁸ *At present, the parties to the MDB Cross-Debarment Agreement are the Bank Group, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group. The MDB Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the MDB Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the MDB Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the "opt out" clause set forth in the MDB Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs.*

7. No Response having been submitted to the Sanctions Board by either of the Respondents within the specified period, INT's accusations in the SAE and the sanctions recommended by the SDO in the Notice are deemed uncontested for purposes of sub-paragraph 4.4 of Section III.A of the Sanctions Procedures, and the recommended sanctions set forth in paragraph 4 above have entered into force as of the date hereof.



Jamieson A. Smith
Chief Suspension and Debarment Officer
Office of Suspension and Debarment (OSD)
The World Bank