



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

No.EMD/233/293/02-779

January 24, 2012

Mr. Syed Adil Gilani
Adviser
Transparency International Pakistan
5-C, 2ND Floor, Khayaban-e-Ittehad,
Phase VII, Defense Housing Authority,
Karachi
Fax#021-35390410


Re: Violation of Public Procurement Rules 2004 by OGDCL under assumed exception from public Procurement Regulatory Authority Ordinance 2002 and Public Procurement Rules 2004 under Companies Ordinance 1984

Dear Sir,

This is with reference to Transparency International Pakistan (TI) letter dated December 20, 2011 on the captioned subject. The points raised in your letter dated December 20, 2011 were taken into consideration while sending response to your earlier letter dated November 12, 2011 and the assertion that the needful was not done by SECP is incorrect.

2. In this connection please note that the Commission has been mandated to ensure the compliance of OGDCL with laws administered by it, which in this case is Companies Ordinance, 1984 (Ordinance). Public Procurement Regulatory Authority (PPRA) is the relevant authority to determine whether OGDCL is amenable to its jurisdiction and whether it has contravened any provision of PPRA Ordinance 2002 or rules made thereunder. This determination is clearly out of the scope and power of this Commission as provided in the SECP Act 1997 and other administered legislations.

3. It may be added that the predecessor of OGDCL i.e. Oil and Gas Development Corporation was established and governed under the OGDC Ordinance, 1961 which was a special enactment. The OGDC Ordinance, 1961 was repealed by section 7 of the Oil and Gas Development Corporation (Re-organisation) Ordinance 2001 (Ordinance No.28 of 2001). The repealing Ordinance provided for conversion of Oil and Gas Development Corporation into a Company and transfer of its all assets and liabilities to the newly formed company i.e. OGDCL after registration with this Commission. Consequently it is now a company registered under the Companies Ordinance, 1984 and all provisions of the Ordinance are applicable on it.


Haris Bin Tipoo
Deputy Director (Enforcement)

Cc:
Mr. Naeem Ahmed
Deputy Director - II
Public Procurement Regulatory Authority (PPRA)
Cabinet Division - Government of Pakistan, Islamabad