



27<sup>th</sup> January 2012

Mr. Khalid Mahmood Lodhi,  
Director - II,  
Public Procurement Regulatory Authority,  
Islamabad.

**Sub: OGDCL has stated that they don't fall under the ambit of PPRA Ordinance  
2002 and Public Procurement Rules 2004 and SECP's revised opinion.**  
**MOST URGENT**

Dear Sir,

TI-Pakistan refers to its letters dated 20<sup>th</sup> September 2011 & 29<sup>th</sup> September 2011, addressed to the Chief Executive Office of OGDCL regarding OGDCL's assumed exemption from PPRA Ordinance 2002 and Public Procurement Regulatory Authority 2004 under Companies Ordinance 1984.

Through the letters dated 22<sup>nd</sup> September 2011 and 01<sup>st</sup> November 2011, Ms. Erum Ali Aziz, Company Secretary, OGDCL, replied that "the PPRA rules 2004 however cannot in any manner override the provisions of the Companies Ordinance". OGDCL also stated that "PPRA rules cannot take precedence over statutory provisions".

After this stance, TI-P forwarded the complaint to SECP through its letters dated 12<sup>th</sup> November 2011, , addressed to the Chairman SECP, which were replied by SECP's Deputy Director (Enforcement) through letters dated 16<sup>th</sup> December 2011 stating following;

*In this connection, we are of the opinion that Sections 252 and 253 of the Companies Ordinance, 1984 (Ordinance) deal specifically and specially with appointment of auditors and ancillary matter relating to company's auditors. Rule 21 of Public Procurement Rules, 2004 (PPRA Rules) on the other hand is subsidiary legislation and is of general application on the subject matter and it cannot override the specific provisions of the Ordinance.*

TIP vide its letters dated 20<sup>th</sup> December 2011 and 21<sup>st</sup> December 2011 requested Chairman SECP to reply on the Deputy Director (Enforcement) decision communicated to TIP that "**Companies Ordinance 1984 supersedes PPRA Ordinance 2004 for OGDCL**". TIP explained to SECP that its decision to exempt OGDCL from PPRA Ordinance 2002 is illegal under the law of Land.

SECP finally vide its reply dated 24 January 2012 has stated that "**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**".

We request that PPRA to examine this issue, and a clear cut directive may be issued to OGDCL about the application of PPRA Ordinance 2002 and the Public Procurement Rules 2004.



We also request PPRA to inform to SECP that all corporations, bodies and organizations established under a federal law comes under the ambit of PPRA Ordinance 2002 and the Public Procurement Rules 2004 in accordance with the PPRA Ordinance 2002 section 2(j)(ii), registered under the Companies Ordinance 1984 or not for the purpose of procurement of goods, works and services.

All above letter were also copied to PPRA by TIP and OGDC.

With Regards,

Syed Adil Gilani  
Adviser

Copies forwarded for the information of the Managing Director, PPRA, Islamabad.