



**TRANSPARENCY  
INTERNATIONAL-PAKISTAN**  
5<sup>th</sup> August, 2013

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,  
Defence Housing Authority, Karachi.  
Tel: (92-21)-35390408, 35390409, Fax: 35390410  
E-mail: ti.pakistan@gmail.com  
Website: www.transparency.org.pk

Administrator,  
Defence Housing Authority,  
Defence Mall, Defence Avenue, Phase-I  
Islamabad-44000

**Sub: Award of Works Contracts worth Rs 20 billion by DHA on EOIB Deal**

Dear Sir,

Transparency International Pakistan the following news reporting the proceedings in the Supreme Court of Pakistan in the Constitution Petition No.35 of 2013.

*“Advocate Sufi tried to convince the bench that the land was worth purchasing, the deal would benefit the EOIB and its investment was secure. He said that the developmental work on the land had been 70% to 80% done and was due to complete within 3 months. He further added that Rs 9 billion and Rs 11 billion had also been respectively provided to the DHA and Habib Rafique Group and Bahria Town for the developmental work.”*

According to Public Procurement Rules 2004, all contracts shall be awarded based on Open tendering, and after award of the contract, a copy of the contract along with Evaluation Form shall be sent to NAB under Section 33 B of NAO 1999, and Evaluation report shall be posted on PPRA website, and Contract Evaluation Form A and Form B shall be posted on PPRA website.

DHA council in the Supreme Court of Pakistan has submitted that out of Rs 22 Billion received from EOIB against the sale of property to EOIB, Rs 9 billion and Rs 11 billion had also been respectively provided to the DHA and Habib Rafique Group and Bahria Town for the developmental work.

TI Pakistan has checked the PPRA website, and could not find any information on the PPRA website about Rs 20 Billion contracts, stated to be awarded by DHA for the development works to DHA, Habib Rafique Group and Bahria Town.

Kindly refers to General Headquarters, AG's branch (W&R Dte), Rawalpindi's letter dated 15th February 2011 addressed to HQ 4 Corps- Housing Societies Cell, HQ 5 Corps- DHA Cell, Administrator DHA Islamabad, Administrator DHA Karachi and Administrator DHA Lahore through which it has forwarded Ministry of Defence's letter No 2/2/D-18/2009 dated January 31st 2011 for compliance, stating that “the PPRA Rules must be observed in their perspective in letter & spirit while making procurements. Violation of those rules will be viewed seriously and Head of Department/Organisation will be held responsible for the same”.

In view of the strange situation, as Rs 20 Billion has been stated to be spent on Contracts for a sale of Rs 22 Billion property, and on 321 kanal, out of total revenue of Rs 15.57 Billion, the development cost incurred by Habib Rafique Group and Bahria Town is apparently very high, i.e. Rs 43,800,000 per kanal,

TI Pakistan under Rule No 47 requests the Administrator to please provide copies of the contracts Agreements with contactors awarded at Rs 20 Billion to TIP for its review. Also copy of the NESPAK assessment report on the development works carried out,



conforming the costs/rates of contactors, submitted in the Supreme Court of Pakistan may also be provided to TI Pakistan.

**47. Public access and transparency.-** *As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public:*


In case the statements of DHA lawyer in the Supreme Court are correct, and if DHA is not having WHT exemption certificate from FBR, collected net revenue from EOBI will be Rs 22-1.32 (WHT) Rs 20.68 Billion, out of which it has already spent Rs 20 Billion on development only. This situation is unbelievable that in whole deal DHA earned only Rs 680 million, i.e 3.4%, and full payment was made in advance to all contractors, though the works are only 70% completed. According to PPRA Rules and Regulations of 2008, DHA must keep from each contractor 10% performance Bank Guarantee and 5% retention money in cash, which on Rs 230 Billion comes to Rs 3 Billion.

This is to state that article 19-A makes the right to access of information pertaining to a public authority a fundamental rights, Justice Syed Mansoor Ali Shah in his landmark judgment *Ataullah Malik v. Federation of Pakistan* laid down the following:

*“Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable”. PLD 2010 Lahore 605*

Transparency International – Pakistan is starving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,



Syed Adil Gilani  
Adviser

Copies forwarded for the information and action of:

1. Secretary to the Prime Minister, for information of the Prime Minister, Islamabad,
2. Minister of Defence, Islamabad
3. Minister of Interior, Islamabad,
4. DG NAB (A & P), NAB, Islamabad.
5. Registrar, Supreme Court of Pakistan, Islamabad, with reference to CP 35 of 2013
6. Managing Director, PPRA, Islamabad. - *with a request to take action under section 5(2) (a) “monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement” and under section 5(2) (i) of the PPRA Ordinance 2002.*



THE EXPRESS  
**TRIBUNE**  
WITH THE *International Herald Tribune*

## EOBI scam: SC orders freezing of DHA Rawalpindi and Islamabad accounts

By Web Desk

Published: July 19, 2013

**ISLAMABAD:** The Supreme Court of Pakistan has ordered that the accounts held by Defence Housing Authority (DHA) Rawalpindi and Islamabad be frozen, reported *Express News* on Friday. The order was given during the hearing of the Employees Old Age Benefit Institute (EOBI) scam case

The court further added that the accounts will remain frozen till the owed amount, Rs22.24 billion is not paid back.

The Supreme Court on Wednesday had ordered DHA to submit Rs22.24 billion that EOBI had paid to it in a shadowy deal to purchase 321 kanals of land.

Chief Justice Iftikhar Muhammad Chaudhry directed DHA's advocate Ahmer Bilal Sufi to deposit the money with the court's registrar office by July 19 or furnish the details of the DHA's assets. "The assets can be attached if the money was not deposited," he added.

Advocate Sufi tried to convince the bench that the land was worth purchasing, the deal would benefit the EOBI and its investment was secure. He said that the developmental work on the land had been 70% to 80% done and was due to complete within 3 months. He further added that Rs 9 billion and Rs 11 billion had also been respectively provided to the DHA and Habib Rafique Group and Bahria Town for the developmental work.

"The DHA does not have such a huge equity right now to deposit with the SC's registrar and some time may be given to the authority for explaining its position," Sufi argued on Thursday.

1  
RESTD

General Headquarters  
AG's Branch (W&R  
Dte)  
Rawalpindi  
Tel : GHQ: 32029  
05/MoD/PPRQ/WR-7  
15 Feb 2011

To: HQ 4 Corps - Housing Societies Cell

HQ 5 Corps - DHA Cell

Administrator DHA Islamabad

Info: Administrator DHA Karachi

Administrator DHA Lahore

SD-1 (Army Coord)

- Wrt note no 6217/1381/SD-1-W98EG of  
3 Feb 11.


AG (Coord)

- Wrt note no 34/11/GS Br/11/AG (Coord)-  
WY00D of 9 Feb 2011.

ID: WR (Coord)

Subj: Implementation of PPRA Rules, 2004

Copy of Mindef U.O No. 2/2/D-18/2009 dated 31 Jan 11 on the subj is encl  
for your info / compliance, please.

  
Lt Col  
For Adjutant General  
(Ansar Jamil)

Docu ID: XCILQ APPROVED By AAG Lt Col Ansar Jamil on 15 Feb 2011  
Note: Computer Generated Documents Do Not Require Signature.

RESTD

MINISTRY OF DEFENCE  
(D-18 SECTION)

Subject: IMPLEMENTATION OF PPRA RULE, 2004

Reference Ministry of Defence u.o. note of even number dated 4<sup>th</sup> July, 2010 circulating National Assembly Secretariat (PAC Wing) circular No.F.1(1)-2010-PAC dated 21<sup>st</sup> June, 2010.

2. Deputy Director General (Defence Service Audit) has observed that Public Procurement Regulatory Authority (PPRA) Rules 2004 are not being observed in different entities of Ministry of Defence in letter and spirit. This has been viewed with concern by the Principal Accounting Officer i.e. Secretary Defence.

3. The Public Accounts Committee vide their letter No.F.1(1)-2010-PAC, dated 21-06-2010 made similar observations.

4. It is reiterated that the PPRA Rules must be observed in their true perspective in letter & spirit while making procurements. Violation of those rules will be viewed seriously and Head of Department/Organization will be held responsible for the same.

  
(Zia-ud-Din Khurshid)  
Deputy Secretary (Coord)  
Ph: 9271132 & 9271439

|   |                                  |
|---|----------------------------------|
| MAG, Rawalpindi                           | Director (Admin), JSHQ, Chaklala |
| Surveyor General, Survey of Pakistan, Rwp | DG SD D (C), GHQ, Rawalpindi     |
| DG, MI & C Department, Rawalpindi         | E-in-C's Branch, (EIE), GHQ, Rwp |
| DG, Pak Met Department, H-8/2, Islamabad  | DCA, NHQ, Islamabad              |
| DG, PASB, Rawalpindi                      | DCP, AHQ, Jheshawar              |
| DG, ASI, Karachi                          | DG, ISI, Islamabad               |
| DG, MSA, KDLB Bldg, Karachi               | DG, CAA, Karachi                 |
| Director, FGEI (C/G), Dte, Rwp            | MD, PIAC, Karachi                |

Min of Def u.o. No. P1.2/2/D-18/2009, dated 31<sup>st</sup> January, 2011

Copy for follow-up action, to:-

|             |             |            |           |
|-------------|-------------|------------|-----------|
| DS (Army-A) | DS (Army-B) | DS (Navy)  | DS (IS-B) |
| DS (Flying) | DS (CAA)    | DS (Admin) | S/O (D-7) |

1. tick in UD
2. Copy to all PSOs.

DSD(A) 