

# INTERNATIONAL THE NEWS

## PTI sends reference against PM to NAB

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ISLAMABAD: As a test case, the Pakistan Tehrik-e-Insaf has sent a corruption reference against Prime Minister Yusuf Raza Gilani to the National Accountability Bureau, saying that a close relative of the PM has been awarded \$540 million rental power project in violation of law of the land.

The reference, the first of its kind in recent years, filed on November 14 by Dr Arif Alvi, Secretary General, PTI, had been received by NAB, but tongues are wagging whether NAB will investigate it, or it will be thrown into the dustbin like other references against the incumbent government.

The reference, a copy of which is available with The News, mentions that a contract was awarded to M/s Karkey Karandeniz Elektrik Uretim A S through Country Representative Mr Raja Baber Ali Zulqarnain, a close relative of PM Yusuf Raza Gilani, in violation of rules without following the tendering process defined in the Public Procurement Rules 2004 and Nepra Law to advertise tenders in newspapers.

It also says that the Asian Development Bank, in its reports of January 2010, has stated that Karkey Karandeniz Korangi, Karachi, is an unsolicited contract and estimated the cost of the plant as \$133 million and only rental payment per year is \$96 million — \$540 million in five years.

Following are a few excerpts from the reference: "That the Government of Pakistan awarded RPP contract to M/s Karkey Karandeniz Elektrik Uretim AS through Country Representative Raja Baber Ali Zulqarnain in violation of rules without following the tendering process defined in the Public Procurement Rules 2004 and Nepra Law to advertise tender in newspapers.

"That Asia Development Bank, in its reports of January 2010, has stated that Karkey Karandeniz, Korangi, Karachi, is an unsolicited contract, (it is a violation of Rule No 12 of THE Public Procurement Rules 2004). The ADB report also estimates the cost of the plant as \$133 million, and only rental payment per year is US \$96 million — \$540 million in five years. That Advocate Hussain Kazmi, counsel for Nepra, told the Supreme Court on November 1, 2011, that the RPP contracts were not advertised in newspapers.

M/s Karkey Karandeniz Elektrik Uretim AS (RPP), though, has achieved its COD but after a delay of almost 17 months of its required COD on November 11, 2009, and the plant is still not operative fully. Sometimes back, the operation of the plant was found to be very poor and inconsistent. Reportedly, it is still not operating fully because Lakhra Power Generation Company Limited has not been able to supply committed fuel to the RPP as per the contractual terms. The RPP is generating an average of around 45MW since 13 April, 2011, at an average cost of Rs43/KWh but is charging full payment on account of "Capacity Charge" for 231MW.

"That all above acts were condoned by the Government of Pakistan to benefit M/s Karkey Karandeniz Elektrik Uretim A S as its country representative Raja Baber Ali Zulqarnain is the close relative of the Prime Minister of Pakistan Syed Yusuf Raza Gilani and also son of ex-President of Azad Kashmir Raja Zulqarnain Khan. That the foreign company was awarded the contract in April 2009 in violation of rules.

"The proof of involvement of AJK President House in Karkey contract is copies of Karkey Certificate of Authority in the name of Raja Baber Ali Zulqarnain dated 5/10/2009 and Affidavit of Raja Baber Ali Zulqarnain dated 7/10/2009 for tariff petitions were faxed to Nepra on Fax No [051-9210594](tel:051-9210594) from the AJK President House on 7/10/2009. The pressure of the AJK President House on Nepra is evident

from the fast track approval granted within five working days and posted on website on October 13, 2009.

"That a horrible situation arose when the Supreme Court took up human rights case No56712 of 2010 (Fraud in payment of Rental Power Projects detected by Nepra) and human rights case Nos.7734-G/2009 & 1003-G/2010 (alleged corruption in rental power projects) cases of rental power plant in 2009, and the facts came in press.

"Based on the above facts and grounds, respondents have shown wilful indulgence in corrupt practices under Section 9 of the NAB Ordinance. Such persons are subject to punishment under Section 10 of the NAB Ordinance."