

**AHMED & QAZI**  
ADVOCATES & LEGAL CONSULTANTS

✓ Mr. Syed Adil Gilani,  
Adviser,  
Transparency International - Pakistan,  
Advisory Committee,  
5-C, 2<sup>nd</sup> Floor, Khayaban-e-Ittehad,  
Phase-VIII, DHA, Karachi.

January 18, 2012

Dear Sir,

Violation of Public Procurement Rules, 2004 by NBP in purchase of 15,406 Sq. Yds. Plot No. No. LA-2/B (the "Property") from Afroze Textile Industries (Pvt.) Limited ("Customer")

Reference your letters dated 30.12.2011 and 14.01.2012 on the captioned matter, we are, on the instructions of our client i.e. National Bank of Pakistan (hereinafter "our Client"), writing to reply to your letters as follows:

- i. Our Client has not purchased the Property at the value/cost determined at the time of mortgage but instead has recently obtained fresh Valuation Reports from renowned and PBA's approved valuers and has purchased the Property at the freshly determined valuation.
- ii. The said value is the Market Value not the Forced Sale Value of the Property and Customer has also given its consent to the same.
- iii. Selling the Property through auction and recovering the outstanding loans is a very lengthy and cumbersome procedure and is not in the interest of the bank.
- iv. We confirm that there is absolutely no violation of PPR 2004 or any other law for the time being in force in Pakistan in the bank's purchasing the Property for the settlement of its outstanding loans at the freshly determined Market Value of the Property.
- v. Further, PPR 2004 does not at all apply to this transaction as acquiring a mortgaged property against the settlement of an outstanding loan is not PROCUREMENT as per the definitions of "public procurement", "goods", "services" and "works" as provided in PPRA Ordinance, 2002 under which PPR 2004 have been promulgated.



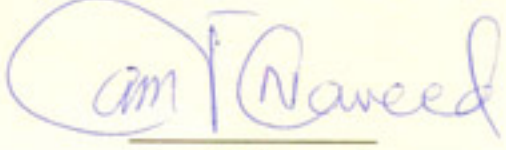
# AHMED & QAZI

---

We are of the view that the above explanation should suffice your queries in this regard.

Yours truly,

FOR AND ON BEHALF OF A & Q



Jam Naveed

- Cc:
1. Chairman, PAC, Islamabad;
  2. Chairman, National Accountability Bureau, Islamabad;
  3. Registrar, Supreme Court of Pakistan, Islamabad;
  4. Managing Director, PPRA, Islamabad;
  5. Auditor General of Pakistan, Islamabad;
  6. Relationship Manager, CIBG, NBP, Karachi.