



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

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
Advisory Committee

30th December 2011

Mr. Qamar Hussain,
President,
National Bank of Pakistan,
NBP Head Office, I.I. Chundrigar Road,
Karachi.

**Sub: Violation of Public Procurement Rules 2004, by NBP in purchase of 15,406
Sq. Yds. Plot No. LA-2/B from Afroze Textile Industries (Pvt.) Limited. NBP
Lawyer Letter dated 16/12/2011 and PPRA Letter dated 21st December 2011.**

Dear Sir,

Transparency International Pakistan is in receipt of reply of its letter objecting purchase of 15406 sq. yards land, dated 12th December 2011 from M/S Ahmed & Qazi Advocates and Legal Consultants dated 16th December 2011.

The reason given by your Legal Consultant is that "the property was mortgaged for the purpose of loan with National Bank of Pakistan, and the purchase is being made for the recovery of defaulted loan through payment in kind instead of payment in cash".

TI Pakistan agrees with this intention of NBP for recovering the loan from the mortgage property, however the property value has to be determined under the open tendering procedures, and transferring the sale proceeds against defaulted loan.

As the property seems to have been mortgaged with NBP many years ago, TIP views this decision of NBP to transfer the property at the forced sale value or cost determined at the time of accepting it as a mortgage, is violative of PPRA Rules, and is therefore against the law. The value of the property when it was mortgaged with you was much less than what it is today.

You are therefore requested to sell this property through auction to ensure transparency and recover your outstanding loans from the proceeds of the auction.

With Regards,


Syed Adil Gilani
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Registrar, Supreme Court.
4. Auditor General, Islamabad.
5. Managing Director, PPRA, Islamabad.