



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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**Advisory Committee**

23<sup>rd</sup> February 2012

Mr. Basharat A. Mirza,  
Chief Executive Officer,  
Oil & Gas Development Company Limited,  
OGDCL Head Office, Jinnah Avenue, Blue Area,  
Islamabad.

**Sub: Violation of Public Procurement Rules 2004, Company Secretary, Oil & Gas Development Company Limited, Islamabad, Appointment of Auditors- TI Letters dated 20<sup>th</sup> September 2011, 29<sup>th</sup> September 2011 & 11<sup>th</sup> February 2012, OGDCL Letters dated 22<sup>nd</sup> September 2011 & 01<sup>st</sup> November 2011 and PPRA Letters dated 30<sup>th</sup> September 2011 & 02<sup>nd</sup> November 2011.**

Dear Sir,

This is with reference to the violations of Public Procurement Rules 2004 by OGDCL, pointed by TI-Pakistan through a series of letters written to OGDCL and SECP.

On 11<sup>th</sup> February 2012, TI-Pakistan had forwarded the Public Procurement Regulatory Authority's letter No.F.1 (76)/DD-II/PPRA/2011 dated 01st February 2012 to OGDCL, through which PPRA had informed OGDCL about the application of Section 2(j) of the PPRA Ordinance 2002 on corporations established and controlled by the Federal Government.


A similar letter was sent to the Securities and Exchange Commission of Pakistan, after the receipt of PPRA's letter, and SECP was asked to issue directives to the OGDCL and all other Government of Pakistan Corporations, Bodies, Organizations established by the Federal Government, and also registered with SECP under the Companies Ordinance 1984, that Public Procurement Rules 2004 are applicable on them.

The Deputy Director (Enforcement), SECP, through letter No. EMD/233/293/02.958 dated 20<sup>th</sup> February 2012, has stated that the Commission will "issue letters to all such companies which are "established under a Federal Law or which is owned or controlled by the Federal Government" and registered under Companies Ordinance, 1984 informing them the stance of PPRA on applicability of PPRA Ordinance and Rules". (enclosed)

TI-P therefore requests OGDCL to cancel the appointment of auditors through the Companies Ordinance 1984, if already processed, and re-invite the tenders in accordance with the PPRA Ordinance 2002 and the Public Procurement Rules 2004.

TI Pakistan is striving to have Rule of Law in Pakistan.

With Regards,

  
Syed Adil Gilani  
Adviser

Copies forwarded for the information and necessary action under the Law of Pakistan:

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



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

No. EMD/233/293/02. 958

February 20, 2012

✓ **Mr. Syed Adil Gilani**  
Adviser  
Transparency International Pakistan  
5-C, 2<sup>ND</sup> Floor, Khayaban-e-Ittehad,  
Phase VII, Defense Housing Authority,  
Karachi  
Fax# 021-35390410

Re: Violation of Public Procurement Rules 2004 by OGDCL under assumed exception from public Procurement Regulatory Authority Ordinance 2002 and Public Procurement Rules 2004 under Companies Ordinance 1984

Dear Sir,

This is with reference to Transparency International Pakistan (TI) letter dated 11.2.2012 on the captioned subject requesting this Commission to issue directive to all Government owned organizations including OGDC registered under the Companies Ordinance, 1984 ("Ordinance") that the Public Procurement Rules 2004 are applicable on them.

2. This Commission has already communicated vide letter dated 24.1.2012 that enforcing application of PPRA Ordinance and Rules does not fall within its jurisdiction.
3. However, the Commission with a view to support TI in its cause to ensure the compliance of PPRA Ordinance and Rules to "exhibit transparency" shall issue letters to all such companies which are "established by or under a Federal Law or which is owned or controlled by the Federal Government" and registered under Companies Ordinance, 1984 informing them the stance of PPRA on applicability of PPRA Ordinance and Rules.

  
**Haris Bin Tipoo**  
Deputy Director (Enforcement)

Cc:  
Mr. Naeem Ahmed  
Deputy Director - II  
Public Procurement Regulatory Authority (PPRA)  
Cabinet Division - Government of Pakistan, Islamabad