



PAKISTAN STEEL

**PAKISTAN STEEL MILLS CORPN. LTD.**  
(BULK MATERIAL DEPARTMENT)

No: BMD/Misc/13 /034

January 07, 2013

**Syed Adil Gilani**

Adviser,  
Transparency International-Pakistan  
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Phase-VII, DHA, Karachi.

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Subject: VIOLETION OF PPRA RULES-2004 PROCUREMENT OF IRON ORE AGAINST  
TENDER NO: BMD/10/IOF/FOR (DDP)/12 AND TENDER NO: BMD/11/IOF/FOR  
(DDP)/12

Dear Sir,

Pakistan Steel started to float spot tenders in September'2012 for procurement of iron ore due to its acute shortage, as lifting of Iron Ore could not be materialized from our long term contracted suppliers. The position has already been brought to your knowledge through our various communications.

2. The first tender was published on 05.09.2012 which was initially due for opening on 12.09.2012 due to urgency of iron ore requirement. However, on your advice that "under no circumstances the response time shall be less than fifteen days for national competitive bidding", the date was extended to 20.09.2012 giving a response time of 15 days and TIP was informed about the extension which was appreciated by TIP.

03. In the FOR / DDP tenders, payment is to be made in Pak Rupees. Hence only national competitors participated in these tenders. However, as per advice, the opening date of subject tenders has now been extended to 17.01.2013 and 24.01.2013, respectively; hence, response time is now more than 30 days for both the tenders.

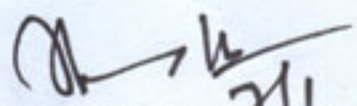
04. On account of reasons enumerated above, tenders have been floated on 15 days and 30 days response time simultaneously, as the requirement of Iron Ore has become very critical.

05. The increase in capacity utilization of the plant depends upon the restoration of supply chain of Iron Ore. Any delay in materialization of the supply schedule of iron ore will severely effect on plans, thus jeopardizing reviewed plan of Pakistan Steel.

06. In view of above, Pakistan Steel management is committed to take all possible measures within rules to ensure timely availability of iron ore which is required for survival of Pakistan Steel.

Regards.

Sincerely yours,

  
(CAPT. ® SHAMSI HASAN)  
General Manager (BMD)