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RPPs contracts may be cancelled if non-transparency proved: SC

** Court says cabinet has no authority to approve any contracts against rules and regulations*

ISLAMABAD: Chief Justice of Pakistan (CJP) Iftikhar Muhammad Chaudhry on Tuesday observed that lack of transparency in Rental Power Projects (RPPs) might lead to cancellation of contracts.

A two-member Supreme Court bench, headed by the chief justice, remarked that any project against the Public Procurement Regulatory Authority (PPRA) rules could not become legal after the cabinet approval, as the cabinet had no authority to approve the contracts against rules and could not bypass the rules. "Apparently, the (PPRA) rules have been violated. The projects cannot be termed legal if initiated without being advertised, therefore, rental projects can be declared void if proved non-transparent," the court added. Justice Khilji said it seemed the RPPs contracts were awarded to some companies through backdoor channel.

The chief justice stated if the government had to award the contracts in that way then why does it not open the backdoor for everyone.

Khowaja Tariq Rahim, the counsel for Water and Power Ministry, said he would inform about the non-compliance of the PPRA rules after consulting the ministry's officials.

He said that the Supreme Court judgments should be implemented. He said that a person was appointed secretary in the Housing Ministry, headed by Faisal Saleh Hayat, against whom the court had ordered action in LNG and Capital Development Authority cases.

Hayat, Minister for Housing and Works, said that the counsel had personally attacked him so he wanted to defend himself.

Expressing annoyance, the chief justice said the apex court orders were being flouted and no action was taken against the officer concerned, adding that non-implementation of the court judgment would promote anarchy.

During the hearing, Advocate Shahid Hamid, the counsel for Walters Power International, told the court that the federal cabinet permitted Naudero-1 and Naudero-2 power plants upon which the chief justice replied that even if the cabinet allows anything illegal it doesn't become legal.

The court adjourned the case till today (Wednesday).