




**PHA FOUNDATION
MINISTRY OF HOUSING & WORKS**

NO. PHA-F/8th -Board Meeting/2013/203
August 15, 2013

**SUBJECT: MINUTES OF 8TH MEETING OF THE BOARD OF DIRECTORS (BOD)
OF PHA FOUNDATION.**

I am directed to enclose copy of approved minutes of 8th meeting of the BoD of PHA Foundation which was held on July 9, 2013 at 1030 hours in the Committee Room of Ministry of Housing & Works.


(Tariq Mahmood Bhatti)
Acting Company Secretary

Distribution:

1. Barrister Usman Ibrahim,
Minister of State for Housing &
Works/ Chairman, PHA
Foundation, Islamabad.
2. Mrs. Amna Imran Khan,
Joint Secretary,
M/o Housing & Works,
Islamabad.
3. Mr. Liaquat Munir Rao,
FA (Works) / Joint Secretary,
Finance Division, Islamabad.
4. Mr. Sanaullah Aman,
Member Engineering, Finance
CDA, Islamabad.
5. Mr. M. Tariq Mahmood Pirzada,
Director General (FGEHF),
FGEHF, Islamabad.
6. Mr. Shah Din Sheikh,
Joint Engineering Advisor,
M/o Housing & Works,
Islamabad.
7. Mr. Aurangzeb Maral,
Deputy Secretary (Admin),
M/o Housing & Works,
Islamabad.

C.C.

1. PS to MD/ Chief Executive Officer, PHA Foundation, Islamabad.
2. All Directors, PHA Foundation.



**PHA FOUNDATION
MINISTRY OF HOUSING & WORKS**

NO. PHA-F/8th -Board Meeting/2013/203
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Islamabad.</p> | |

(Signature) → 21/8/13

(Signature) 21/8/13



C.C.

- PS to MD/ Chief Executive Officer, PHA Foundation, Islamabad.
- All Directors, PHA Foundation.

Received 4:10 PM
21/8/13

2013-13

(Signature)
21/8/13

(Signature)
21/8/13



PHA FOUNDATION MINISTRY OF HOUSING & WORKS

NO. PHA-F/8th -Board Meeting/2013/
July 12, 2013

SUBJECT: 8TH MEETING OF THE BOARD OF DIRECTORS (BOD) OF PHA FOUNDATION.

8th meeting of the Board of Directors of PHA Foundation was held on July 09, 2013 at 1030 hrs in the Committee Room of Ministry of Housing & Works under the Chairmanship of the Honourable Minister of State for Housing & Works.

2. Draft minutes/ decisions of the meeting are submitted for perusal and approval of the Honourable Chairman, PHA Foundation please.

Ministry (Housing) Office
1531
23/7/13

Office of the MOS for Housing & Works
Islamabad
Dy. No. 287
Dated: 23/7/13

Secretary Housing & Works

(Tariq Mahmood Pirzada)
Managing Director

[Signature]
25/7/13

Minister of State for Housing & Works/ Chairman
PHA Foundation Board.

Pakistan Housing Authority
Director Admin Office
Dy. No. 287
Dated: 23/7/13

Secretary HW

[Signature]
30/7/13

MD (PHAF)

[Signature]
5/8

Pakistan Housing Authority
MD Office
Dy. No. 287
Dated: 23/7/13

[Signature]
D.A. pls circulate - 7/8 *[Signature]* 2/8

LIST OF AGENDA ITEMS FOR 8TH BOARD MEETING OF PHA FOUNDATION
SCHEDULED TO BE HELD ON JULY 09, 2013

AGENDA ITEM NO.	SUBJECT	PAGE NO.
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2	REGULARIZATION OF REVISED BOQ QUANTITIES/COST AND TIME EXTENSION OF 07 STALLED PHAF PROJECTS ON WHICH FIA HAS RECENTLY COMPLETED INVESTIGATIONS AND CLOSED THE INQUIRY& PROPOSALS FOR WAY FORWARD TO PROCEED WITH COMPLETION OF WORKS	2-4
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GOVERNMENT OF PAKISTAN
PHA FOUNDATION
MINISTRY OF HOUSING & WORKS

Minutes of the Meeting

Subject: 8TH MEETING OF BOARD OF DIRECTORS OF PHA FOUNDATION

8th meeting of the Board of Directors of PHA Foundation was held under the Chairmanship of Hon'able Minister of State for Housing & Works / Chairman, PHA Foundation at 1030 hours on July 09, 2013 in the Committee Room of Ministry of Housing & Works. List of participants is annexed. The meeting started with the Holy name of ALLAH Almighty and business as per following agenda items under consideration:

AGENDA ITEM NO-1: CONFIRMATION OF MINUTES OF 7TH BoD MEETING

The Managing Director/ Chief Executive Officer, PHA Foundation briefed the Board and stated that minutes of previous meeting held on 7th February, 2013 were circulated among the members. However, no objection has been raised/received; therefore, the Board may confirm the minutes of the 7th BoD meeting.

DECISION: The members of the BoD are requested to confirm the minutes of the 7th meeting of the BoD already circulated.

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AGENDA ITEM NO.2:

REGULARIZATION OF REVISED BOQ QUANTITIES/COST AND TIME EXTENSION OF 07 STALLED PHAF PROJECTS ON WHICH FIA HAS RECENTLY COMPLETED INVESTIGATIONS AND CLOSED THE INQUIRY & PROPOSALS FOR WAY FORWARD TO PROCEED WITH COMPLETION OF WORKS

The matter of decision on report submitted by DG, Pak-PWD on cost & time overrun on 07 stalled PHAF projects was placed before 7th PHAF Board meeting held on 7th February, 2013 and it was decided that:-

“Since the matter is under inquiry in FIA so PHA Foundation should wait till the said inquiry is finalized.”

The FIA has recently completed the investigations and finally closed the inquiry vide their letter No. FIA/SIU/E-11/2013/489 dated 18-4-2013.

BRIEF HISTORY OF THE CASE

The 07 stalled projects were launched under the Prime Minister’s Housing Programme that was announced on floor of the House on March 29, 2008.

2. The Consultants for these projects were engaged from list of already pre-qualified consultants and were asked for planning, designing and preparation of Tender documents on emergent basis in the shortest possible time.

3. Because of short period of time several design parameters and pre-requisites were developed on the basis of assumptions/ thumb rules, which later on proved wrong when actual design based on actual soil tests reports and contours of land were carried out.

4. The planning/ designing of schemes without actual soil test reports and surveys of area resulted in increase of cost of work which ultimately led PHAF to bear an increase of cost to the extent of an average of 45% over original bid cost besides delay in completion period.

VARIOUS INQUIRIES CONDUCTED TO INVESTIGATE TIME & COST OVERRUN

5. In October, 2011, in order to regularize the increased cost of work all the consultants submitted details of Revised Estimates along with complete justification and time extension cases of their respective projects.

6. These Revised Estimates (37.77% above the original bid cost) were then placed before the competent forum in its 28th Authority meeting held on 21-10-2011 under the Chairmanship of Makhdoom Faisal Saleh Hayat, the then Federal Minister for Housing & Works for approval of excess quantities and time over run to proceed ahead with completion of works.

7. Instead of granting approval, a technical committee was constituted to probe into reasons for time & cost overrun which was headed by Mr. Ali Akbar Shaikh, the then Dy. Project Director (P&D) Cell, Ministry of Housing & Works. Afterwards 03 more committees were constituted at different times by Ministry of Housing & Works. The brief of the fact finding committees and their recommendations is annexed as **Annex-I** for kind perusal of the Board.

8. Subsequently in the 4thBoD meeting held on July 17, 2012, the matter of excess of BOQ quantities/cost and time was referred to FIA for further investigations and report thereof.

9. The FIA after carrying out investigations has submitted its report on 18-4-2013 and has closed the inquiry (**Annex-II**).

10. Consequently on 24-4-2013 all the Consultants were again approached to submit the updated Revised Estimates, if any, with tentative time of completion. As per submitted Estimates it has been found that Rs. 889.494 million for Civil & E/M works (which is an average of 45% over original bid cost) is excess over the original bid amount for the 07 stalled projects.

CURRENT STANDING

After close of inquiry by FIA, following points are put forward for consideration / examination of the Board:

- (i) Work on 07 stalled projects is held up since 1½ years. Because of seasonal effects and work being unattended, executed work is under deterioration.
- (ii) Due to delay, cost escalation effect ($45\% - 37.77\% = 7.23\%$ during last 1½ years) is increasing the completion cost.
- (iii) There is tremendous pressure from allottees who have already paid almost the entire cost of apartments.
- (iv) Due to delay in completion of projects, increase in cost and shifting the impact of cost to allottees is another serious concern of PHAF.
- (v) Increase in quantum of work/quantities might have been justified if approval of excess cost would have been sought by PHAF from the competent forum (Board) in time prior to award of work.
- (vi) In light of the recommendations of inquiry reports the defaulters should be held responsible.
- (vii) Credibility and reputation of Ministry of Housing & Works and PHA Foundation is being damaged at the cost of above stated factors, which is not affordable.
- (viii) The cost over run will have to be shifted to the allottees. More the delay, more the cost over run and greater the burden on the allottees.

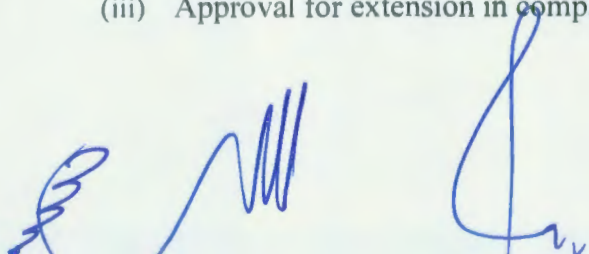
WAY FORWARD

Resumption of works and implementation of the recommendations of the inquiries should be carried out simultaneously.

PROPOSALS FOR COMPLETION OF REMAINING WORKS

After close of inquiry by FIA and considering the current position of projects and funds available with PHAF, following proposals are put forward for consideration / examination of the Board for completion of remaining works at sites:

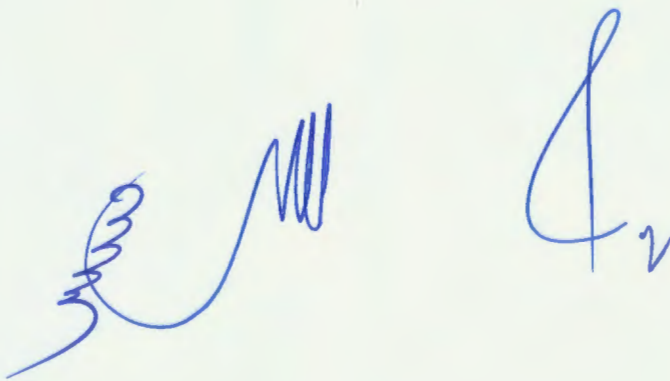
- (i) The amount already paid against work done and due amounts against work done need to be regularized.
- (ii) Approval to shift the financial impact to the allottees and recovery in easy installments needed.
- (iii) Approval for extension in completion time needed.



RECOMMENDATIONS

- (i) 608 C&E type apartments at sector G-11/3, Islamabad, which are at a very advance stage of completion with 97% & 90% physical progress respectively and infrastructure works with 85% physical progress may be assigned first priority because they can be completed within 4 to 5 months for handing over to allottees.
- (ii) With the completion and handing over of 608 units to their owners, PHA Foundation shall earn some reputation and faith of public shall be restored and allottees shall not hesitate in depositing the extra cost.
- (iii) At 2nd stage works of 120 D&E type apartments at Wafaqi Colony, Lahore and 11 shops at UET, Lahore can be taken up subject to the availability of funds with PHAF.
- (iv) At 3rd stage works of 368 D type apartments at sector G-10/2, Islamabad can be taken up where substantial work in the apartments is yet to be done which is worth Rs. 241.00 million (building works) and Rs. 197.00 million (infrastructure works).

DECISION: The BoD directed PHAF authorities to consolidate common points of all the inquiry reports to arrive at workable solutions. It was also emphasized by the BoD that all delinquents involved in the 07 projects must be taken to task. The BoD further directed to submit the working paper within 10 days and next BoD meeting was desired to be held within 15 days. The BoD also directed that proposal for taking share of excess amount from allottees be also brought in the forthcoming BoD meeting and the share from those allottees be also charged who have been given apartments in C-type, Sector G-11/3, Islamabad project.



AGENDA ITEM NO.3: HOUSING SCHEME FOR FEDERAL GOVERNMENT OFFICERS AT KURRI ROAD, ZONE-IV, ISLAMABAD

The housing scheme for Federal Government Officers at Kurri Road, Islamabad was envisaged for construction of 588 Houses of Cat-I, II & III for senior Federal Government Officers of BPS-20 to 22.

2. The project was bifurcated into two sections i.e. Infrastructure Works and Construction of housing units. Consultancy services for designing of project were assigned to M/S Progressive Consultant, Lahore but for detailed supervision of project the services of this Consultant were not hired.

INFRASTRUCTURE WORKS

Work for development of infrastructure was awarded to M/S Maakson (Pvt.) Ltd. on March 22, 2012 with Bid cost amounting to Rs. 579.8 million with completion time of one & a half years. So far almost 25% work is completed, however, the work is held up since November, 2012 due to dispute between Contractor and PHAF field staff regarding payment of Earth items i.e. Area Development and Road works. Consequently in order to get expert opinion from third party, the case was assigned to M/S NESPAK for third party validation with TORs as evaluation/certification of the payment released and work produced so far by the Contractor. M/S NESPAK have recently completed its task and have submitted its report on June 26, 2013.

2. M/S NESPAK in their report have not given any clear recommendations regarding evaluation / certification of earth items, rather the issue is left unsettled with the remarks that it shall be clarified by The Engineer under the contract. The Engineer is being notified in order to finalize the issue and to proceed ahead.

CONSTRUCTION OF HOUSES

Second part of project comprises of construction of 588 Houses of Category I, II & III with a view to achieve maximum output in minimum time. This part of project was divided into four (04) packages and accordingly Bids were called on March 16, 2012 on the basis of per Sft covered area rate. The contractors for these packages offered their rates as per below table:

SN	Category of House	No. of Units	Quoted Rate (Rs.)	Contractor
1	Cat-I	117	1150 per Sft	M/S Abdul Majeed & Co.
2	Cat-II	178	1300 per Sft	M/S Techno International
3	Cat-III (North)	146	1485 per Sft	M/S National Construction Ltd.
4	Cat-III (South)	147	1450 per Sft	M/S Abdul Majeed & Co.
Total		588		

2. Accordingly on the basis of lowest rates, letter of acceptance to above mentioned four Contractors were issued on July 25, 2012 but no formal agreement has been drawn with them so far because of which work on ground has not been taken up by the Contractors. In the meantime, as a result of news published in print media on February 14, 2013 regarding corruption in Kurri Road Project, NAB Islamabad started investigation on award of work for 'construction of houses' by collecting all relevant record from PHAF and carried out its investigation till June 30, 2013.

After detailed examination and scrutiny of the tendering process/ procedure followed by PHAF, NAB now have closed the case vide their letter No. 4(15)/A&P/NAB/RWP/4237 and have asked PHAF to proceed ahead with the project (**Annex-III**).

3. It is pertinent to mention that all 588 houses have been sold and allottees of respective categories are constantly pursuing PHAF and other forums for early completion and handing over of houses.

4. In light of above, following decision may be taken by the Board to proceed ahead with the execution of work:

- i. After closure of the case by NAB, the work at site is to commence after rationalizing the cost.

DECISION: After due deliberations the BoD accorded approval for downward rationalization of the cost and authorized to proceed as proposed. The BoD also directed that The Engineer under contract be appointed by MD, PHAF as it falls under his purview.

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AGENDA ITEM NO.4: LAYING OF SEWER LINE AT WAFAQI COLONY, LAHORE FOR B, D & E TYPE APARTMENTS

240 apartments of various categories i.e. B, D & E type and 07-shops are under construction at Wafaqi Colony Lahore out of which 120 apartments are nearing completion and remaining are at advance stage of completion.

2. The existing Wafaqi Colony sewer network is either exhausted or is inadequate to take additional load of PHAF apartments. During monsoon season or during heavy rains, it is often observed that Wafaqi Colony is flooded with water due to inadequate arrangement for its disposal which always bring bad name to Federal Government.

3. In order to overcome this problem, various meetings with WASA and Pak. PWD authorities were held on 23-4-2013 and 14-5-2013. After carrying out detailed survey of the area and its feasible outlet, a comprehensive scheme is finalized by WASA costing Rs. 105 million with following break up. The work shall be executed by WASA as a deposit work.

(i)	Laying of sewer line	=	Rs. 71.630 million.
(ii)	Restoration of Roads	=	Rs. 33.370 million.
	Total	=	Rs. 105.000 million.

4. The cost worked out, as mutually agreed, shall be shared by Pak. PWD and PHA Foundation according to their strength / no of apartments. Total No. of Pak. PWD houses at Wafaqi Colony, Lahore are 1500 whereas of PHA Foundation are 240. According to sharing formula, as mutually agreed with Chief Engineer (Central Zone), Pak. PWD, Lahore on 14-5-2013, the ratio of cost sharing will be almost 1:6¼ (1500/240).

5. Pak. PWD Lahore Zone shall accordingly prepare two PC-1 separately for laying of sewer line and restoration of roads for approval of the competent forum. On the basis of sharing formula (1:6¼) finalized for laying of sewer line with cost of Rs. 71.630 million , PHA Foundation shall bear expenditure according to its 1:6¼ share.

DECISION: The proposal was accorded principle approval by the BoD.



AGENDA ITEM NO.5: APPROVAL OF BUDGET FOR FISCAL YEAR 2012-13

Finance Wing of PHA Foundation has prepared budget for the financial year 2013-14 for the 2nd time since inception of PHAF. PHA Foundation generates its funds through own sources; the Government of Pakistan neither provides budget allocation nor any supplementary grant for running of official business of the organization. The budget document (**Annex-IV**) of PHA Foundation consists of following three major components:

- i. Operational Budget
- ii. Development Budget
- iii. Revenue Budget

2. Finance Wing has tried to present an accurate estimate of budget figure on the basis of information received from various wings of PHA Foundation.

Summary of the Budget Estimates for the fiscal year 2013-2014

SN	Description	Approved Budget 2012-13 (Rs.)	Estimated Budget for the Period 2013-14 (Rs.)
1	Operational Budget (Pay & Allowances)	114,006,498	127,915,813
	Operational Budget (Other than Pay & Allowances)	33,927,216	30,887,704
	Sub-Total	147,933,714	158,803,517
2	Development Budget	1,857,156,000	3,923,922,110
3	Total Expenditure (1+2)	2,005,059,465	4,082,725,627
4	Revenue	1,896,590,000	3,435,646,253
5	Balance (Surplus/Deficit) (4-3)	(108,469,465)	(647,079,373)

3. Approval of the Board is solicited for the proposed budget estimates for fiscal year 2013-14. It will help to improve the financial management in PHAF and also matching the revenue against expenditure throughout the financial year 2013-14 and keeping the expenditure under budgetary check as per cannon of propriety.

DECISION: After due deliberations the BoD directed that the budget may be presented before the Sub Investment Committee constituted in 5th BoD meeting that was held on September 27, 2012 and after the scrutiny by this Committee the budget may be presented before the Board for final approval.

AGENDA ITEM NO.6:

CANCELLATION CHARGES IN PHA FOUNDATION PROJECTS

The allottees are expressing their grave concern as the existing practice of charging cancellation charges @ 10% of total price of the housing unit. They support their notion that the project(s) are not completed within given time period, therefore, in case of cancellation of unit the penalty/ cancellation charges at such rate (10% of total unit cost) is highly unjustified. They are, therefore, demanding for levy of cancellation charges @ 10% of the deposited amount instead of total price of housing unit.

2. It is pertinent to mention here that the aforementioned cancellation charges are applicable on all projects of PHA Foundation since its inception. No project/ category is exempted from these charges.

3. Therefore, it is proposed that:

- a. After deduction of 10% from the paid amount in case complete schedule of payment is adhered to.
- b. After deduction of delayed payment charges and 10% of the deposited amount.

DECISION: The BoD decided that 10% deduction be made against the deposited amount not the total cost of unit. It was also decided that the defaulters of delayed payment may be treated as per existing policy.

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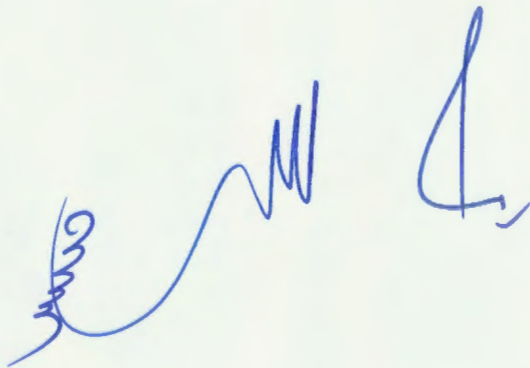
AGENDA ITEM NO. 7: SELECTION OF SITES FOR FUTURE PROJECTS

The Government of Pakistan has announced a housing initiative for development of at least 1000 clusters of 500 houses each for low-income families through Public Private Partnership.

2. In order to materialize vision of the Government following options may be considered for provision of land to PHA Foundation:

- i. State land may be provided by Federal & Provincial Governments, autonomous bodies and other organizations
- ii. Land may be purchased from private owners
- iii. Land may be obtained through Public Private Partnerships

DECISION: The BoD directed that instead of purchasing land the option of land acquisition may be explored.

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AGENDA ITEM NO. 8: RESOLUTIONS PRESENTED BEFORE THE BOARD FOR APPROVAL

RESOLUTION 1

1. **Resolution No** _____ **/2013** in the _____ **th** Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. **In attendance**

- 1) _____
- 2) _____
- 3) _____

3. **RESOLVED THAT** Mr. ----- shall be the Deputy Chairman of the Pakistan Housing Authority Foundation under Article 48 read with Article 35 of the Articles of Associations of the Pakistan Housing Authority Foundation.



RESOLUTION 2

1. **Resolution No** _____/2013 in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

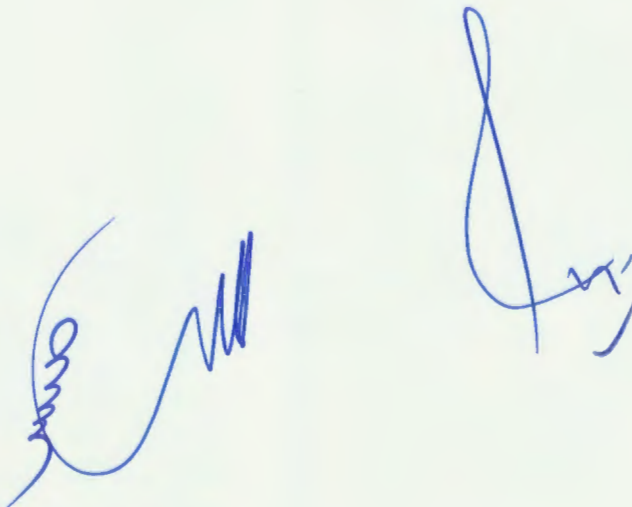
2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. **Mr. Tariq Mahmood Pirzada**, a BS-21 officer of Pakistan Administrative Service is transferred and posted as Managing Director, Pakistan Housing Authority Foundation vide Office Order No.PF(821)/E-5(PAS) dated 29th April 2013 issued by the Establishment Division, Cabinet Secretariat, Government of Pakistan, Islamabad.

4. **RESOLVED THAT** Mr. Tariq Mahmood Pirzada is appointed as Managing Director/Chief Executive of the Company pursuant to Article 199 of the Companies Ordinance 1984 read with Article 41 of the Articles of Association of Pakistan Housing Authority Foundation.

5. **FURTHER RESOLVED THAT** Mr. Tariq Mahmood Pirzada is hereby appointed as CEO of the Company w.e.f ----- 2013 for the period of 3 years under Article 48 of the Articles of Association of Pakistan Housing Authority Foundation.



RESOLUTION 3

1. **Resolution No** _____ **/2013** in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. **RESOLVED THAT** under Article 52 of the Articles of Association of Pakistan Housing Authority Foundation, Mr.----- is hereby approved as Company Secretary of the Pakistan Housing Authority Foundation.



RESOLUTION 4

1. **Resolution No** _____ **/2013** in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ **IN CHAIR**
- 2) _____ **(Director(s))**
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. **RESOLVED** that under Article 37 of the Articles of Association of Pakistan Housing Authority Foundation, the numbers of the directors shall not be less than 3 and not more than 7 whereas the current strength of the directors of the company is -----, It is, therefore, resolved that to comply with the legal provisions under the above quoted Article, the following seven directors shall be the directors of the company from now onward:

- | | | | |
|----|--------------------------------|---|-----------------|
| 1. | Minister of State | - | Chairman |
| 2. | Secretary Housing | - | Deputy Chairman |
| 3. | CEO, PHA-F | - | Member |
| 4. | Joint Secretary M/o (H&W) | - | Member |
| 5. | DG (FGEHF) | - | Member |
| 6. | DG (PWD) | - | Member |
| 7. | Financial Advisor of M/o (H&W) | - | Member |



RESOLUTION 5

1. **Resolution No** _____/2013 in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

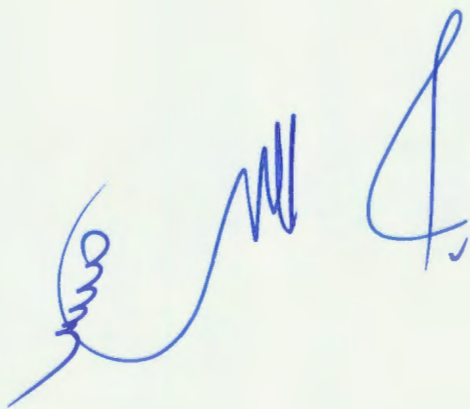
2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. Resolved that under Article 15 of the Articles of Association of the Pakistan Housing Authority Foundation that an Annual General Meeting shall be held in accordance with the provision of Article 158 of the Companies Ordinance 1984 within a period of one month so as to complete the legal formalities as stipulated by the Companies Ordinance 1984.

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RESOLUTION 6

1. **Resolution No** _____ **/2013** in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.


2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. Resolved that subsequent to Article 178 of the Companies Ordinance 1984 and Articles 35 to 38 of the Articles of Association of Pakistan Housing Authority Foundation to complete the formalities of electing the next director of the company within a period of -----



RESOLUTION 7

1. Resolution No _____/2013 in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. **RESOLVED THAT** the Chief Executive Officer shall comply with the all regal requirements as imposed by the Articles, Memorandum of Association of the Pakistan Housing Authority Foundation and the Companies Ordinance 1984 and all these compliances shall be submitted to the relevant authorities including the Securities and Exchange Commission of Pakistan (SECP) as soon as possible and the CEO is authorized to pay any late fee/penalty.



RESOLUTION 8

1. Resolution No _____/2013 in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

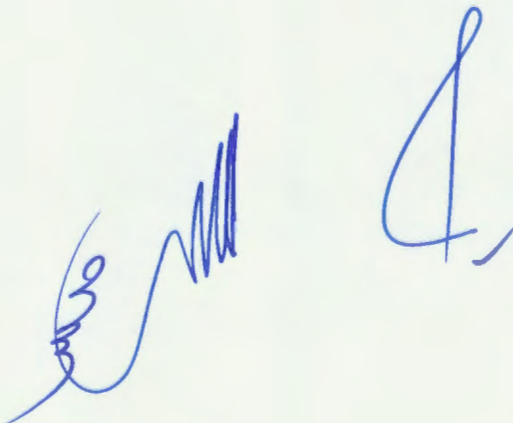
2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. In attendance

- 1) _____
- 2) _____
- 3) _____

3. **IT IS RESOLVED** that the C...EO shall, within one month of the Resolution, cause to frame the Rules, Procedure, Process etc to regulate the terms and conditions of service of the employees of the Pakistan Housing Authority Foundation as soon as possible and this shall be submitted before the Board for its approval in its next meeting.



RESOLUTION 9

1. **Resolution No** _____ **/2013** in the _____th Meeting of the Board of Directors of Pakistan Housing Authority Foundation held on ----- July 2013 at ---A.M/P.M at the Registered Office of the Company at----- Islamabad, Pakistan.

2) The following were present:

- 1) _____ In Chair
- 2) _____ (Director(s))
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

2. **In attendance**

- 1) _____
- 2) _____
- 3) _____

3. **RESOLVED THAT** the Company shall lay down the qualification and conditions subject to which any person or class of person shall be admitted to the membership of the Company within a period of one month.

DECISION: The BoD pended these resolutions till a legal opinion on this is received from Ministry of Law.



MISCELLANEOUS ITEMS

(For Information of BoD)

1. BRIEF ON INQUIRIES CONDUCTED BY NATIONAL ACCOUNTABILITY BUREAU (NAB):

03 inquiries have been conducted by National Accountability Bureau (NAB) out of which 01 has been completed while other 02 are in progress. These inquiries are:

- i. Renovation of PHAF Headquarters in 2011 – 2012 (inquiry completed/ action taken)
- ii. Recruitment conducted by PHAF in 2012 (inquiry in process)

Brief information about these inquiries is given below:

i. Renovation of PHAF Headquarters in 2011 - 2012:

Renovation works in PHAF were conducted in the financial year 2011 - 2012 which amounted to Rs. 16 million.

2. In October, 2012 NAB initiated an inquiry about the works done and found following procedural lapses:

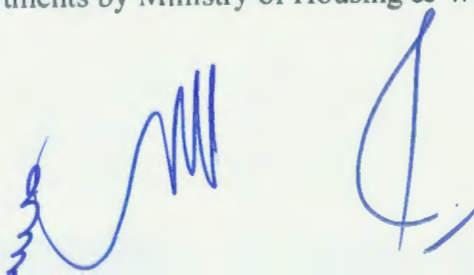
- i. BOQs were not prepared
- ii. Item wise specifications not prepared
- iii. Rate analysis not done prior to award of work
- iv. Approval for award of work was not available in the record

3. These findings were then conveyed to Ministry of Housing & Works by NAB and the Ministry was requested to inquire about the responsible officers and take requisite action against them.

4. Consequently the Ministry of Housing & Works deputed an Inquiry Officer for this purpose. As per the findings of the inquiry following officers were found responsible (M/o H&W letter No. 2(31)/2012-Admn-I dated June 4, 2013):

- i. Mr. Rasool Bux Phulpoto, Ex - MD, PHA
- ii. Mr. A.S. Tariq Sial, Ex - DG (C&PM), PHA
- iii. Mr. Faisal Saeed Cheema, Ex - DG (Finance), PHA
- iv. Mr. Muhammad Hassnain, Ex - Dy. DG (C&PM), PHA
- v. Mr. Rana Omer Farooq, Ex - DD (Admin), PHA

5. The charges against the responsible officers have been communicated to their parent departments by Ministry of Housing & Works.



ii. **Recruitment Conducted by PHAF in 2012:**

The process of recruitment was initiated in PHAF after approval of Board of Directors meeting held on 26th July, 2011, in which sanctioned strength of PHAF was approved. The existing service rules were also approved by Board of Directors in a meeting held on 26-10-2011; the minutes of which were approved by the Chairman, PHA Foundation on 4th November, 2011.

2. Consequently 238 vacancies in different categories were advertised on 18th November, 2011. More than 27,245 applicants applied for advertised posts. After short listing, call letters for written test were issued and interviews of qualifying candidates were carried out at 04 Provincial Headquarters including Islamabad.

3. On April 01, 2013, the NAB asked for provision of information regarding above mentioned recruitment conducted in PHAF. The same was provided by PHAF for the aforesaid purpose. All the record asked by NAB was provided from time to time which is given below:

- i. Copy of minutes of BOD meeting held on 26th July, 2011
- ii. Approval of Establishment Division regarding Sanctioned Strength
- iii. Complete data about regular and contract employees
- iv. Detail of Sanctioned posts
- v. All advertisements regarding jobs
- vi. Detail of expenditure before and after new recruitment
- vii. Information about MS Wing
- viii. Copies of PHAF Registration with SECP, Articles of Association and Memorandum of Association
- ix. Copies of PHA Service Rules

4. The Inquiry is still under process with NAB.

