



PHA FOUNDATION
MINISTRY OF HOUSING & WORKS

MINUTES OF 1ST BOARD MEETING HELD ON THURSDAY MARCH 8, 2012 AT 2:30 PM IN THE COMMITTEE ROOM OF MINISTRY OF HOUSING & WORKS UNDER THE CHAIRMANSHIP OF HONOURABLE FEDERAL MINISTER FOR HOUSING & WORKS/ CHAIRMAN, PHA FOUNDATION

PRESENT:

- | | | |
|-------|----------------------------------|---|
| i. | Makhdoom Syed Faisal Saleh Hayat | Federal Minister for H&W/ Chairman, PHA Foundation |
| ii. | Mr. Kamran Lashari | Secretary, M/o Housing & Works/ Member |
| iii. | Mr. M. B. Awan | Sr. Joint Secretary, M/o Housing & Works/ Member |
| iv. | Mr. R. B. Phulpoto | Chief Executive Officer, PHA Foundation |
| v. | Mr. Liaquat Munir Rao | Financial Advisor, Finance Division/ Member |
| vi. | Mr. Shah Din Sheikh | Joint Engg. Advisor, H&W/ Member |
| vii. | Mr. Talat Rasheed Mian | DG, F.G.H.F./ Member |
| viii. | Mr. Gulab Zameer | DG, Pak. PWD/ Member |
| ix. | Mr. Riaz Ahmed | Director (Admn.)/ Company Secretary |
| x. | Mr. Abdul Jabbar Malano | Engg. Consultants/ Director (Engg.), PHA Foundation |
| xi. | Ms. Sheher Bano Walajahi | Director (Finance), PHA Foundation |
| xii. | Dr. Naveed Khalid | Director (L/E), PHA Foundation |
| xiii. | Mr. Momin Ali Shah | Chairman, M/s Rakhshani Builders Ltd. |

In his opening remarks, the Chairman welcomed the participants and meeting was called to order in the name of Allah Almighty to discuss the following business.

CORPORATE MATTERS OF PHA FOUNDATION

a. Transfer of Assets and Liabilities

The Board was apprised that since the status of Pakistan Housing Authority had been changed to PHA Foundation, therefore, it is required that the assets and liabilities in the name of former Pakistan Housing Authority be transferred in the name of PHA Foundation. The Board was requested to pass the following resolution:

"Resolved that the assets and liabilities of former Pakistan Housing Authority will now vest in PHA Foundation."

b. Delegation of Powers to Chief Executive Officer


The Board was apprised that as per article 48 of Articles of Association read with rule 3 (e) of the Service Rules, there should have been an authority in which particular administrative and financial powers were vested for carrying out the administrative and financial functions of the PHA Foundation. Therefore, the Board of Directors was requested to pass following resolution for delegation of administrative and financial powers to the Chief Executive Officer, PHA Foundation for running the affairs of the Company:

"Resolved that the Chief Executive Officer of PHA Foundation will exercise all administrative and financial powers for running the affairs of the company."

c. Adoption of Service Rules

The Board was apprised that Service Rules for the former Pakistan Housing Authority had been approved by the Board of Directors. Therefore, the Board of Directors was requested to pass following resolution so that the Service Rules framed for the former Pakistan Housing Authority could be adopted by the newly established PHA Foundation:

"Resolved that the Service Rules framed for the former Pakistan Housing Authority will now be changed to the extent in the title and contents to be called Service Rules of PHA Foundation."

(2)


d. Appointment of First Auditor

It was apprised that as per Section 252 of the Companies Ordinance, 1984, the first auditor of PHA Foundation should be appointed within 60 days of incorporation. The first auditor so appointed shall hold office until the conclusion of the first annual general meeting. The appointment of first auditors of PHA Foundation also needed to be notified to Securities & Exchange Commission of Pakistan (SECP). PHA Foundation was incorporated on January 19, 2012. Therefore, the Board of Directors was requested to pass following resolution to expedite the process of appointment of first auditors of PHA Foundation and to notify the same to SECP on or before April 18, 2012.

"Resolved that the process of appointment of first auditors of PHA Foundation be completed at the earliest and the same be notified to SECP on or before April 18, 2012"

e. Appointment of Director

Due to the transfer of Mr. Faisal Saeed Cheema, Director (Finance) from PHA Foundation to Capital Development Authority (CDA), a new Director needed to be nominated and appointed in place of Mr. Faisal Saeed Cheema. Therefore, the Board of Directors was requested to pass following resolution nominating and appointing the new Director to fill in this vacancy. The freshly appointed Director also needed to be notified to Securities & Exchange Commission of Pakistan (SECP).

"Resolved that Ms. Sheher Bano Walajahi, Director (Finance) be appointed as Director of PHA Foundation and this appointment be notified to SECP."

Decision:

The Board approved the resolutions a, b, c, d, e and directed to implement the same after observance of required legal, codal and procedural formalities.



AGENDA ITEM NO. 2

EXTENSION OF MEMBERSHIPS IN KURRI ROAD PROJECT

While giving a brief background of the scheme, the CEO apprised the Board that the honorable Prime Minister of Pakistan Syed Yousaf Raza Gillani on floor of the House in March, 2008 had announced housing programme for the construction of one million housing facilities all over the country. In order to transform Prime Minister's vision into reality, PHA Foundation (earlier PHA) had conceived housing scheme at Kurri Road, Zone IV, Islamabad for the officers of Federally Constituted Occupational Groups (BS 20-22) later on extended to the civilian officers of IB, ISI, National Assembly, Senate Secretariat and Supreme Court of Pakistan.

Eligibility criterion thus formulated was as follows:

- i. All officers of (BS 20-22) of federally constituted groups IB, ISI, National Assembly, Senate Secretariat and Supreme Court shall be considered for allotment of housing units at Kurri Road Housing Scheme in Phase-1 as per prescribed eligibility criterion.
- ii. All officers (BS 17-19) of federally constituted occupational groups, IB, ISI, National Assembly, Senate Secretariat and Supreme Court who are retired/retiring from 02-01-2008 to 31-12-2013 shall be considered for allotment of an apartment in I-12 site in Phase-II.
- iii. The sizes of housing units for BS 22, BS 21 and for BS 20 are 50'x90', 40'x80' and 30'x60' respectively.

As per eligibility criteria, total 782 officers were found eligible under Phase I, to whom brochures were issued. Category wise detail is as under:

S. No	Description	BPS 22	BPS 21	BPS 20	Total
1	Brochures Sent to the Officers	135	298	349	782



However, the number of total available housing units as communicated by CPM section on 22-02-2012 has been reduced from 620 to 609:

S. No	Description	BPS 22	BPS 21	BPS 20	Total
1.	Total Available Units	120	194	295	609

Same was launched and brochures were issued in response to which, 252 officers have deposited 15% down payment and 66 officers have deposited partial payment. Detail is as under:

S. No	Description	BPS 22 (Cat-I)	BPS 21 (Cat-II)	BPS 20 (Cat-III)	Total
1	15% Down payment Received	60	97	95	252
2	Partial Down payment Received	17	27	22	66
Total		77	124	117	318

After the allotment of the housing units to the applicants who have deposited down payment or part payment, the position of available housing units comes as under:

S. No	Description	BPS 22 (Cat-I)	BPS 21 (Cat-II)	BPS 20 (Cat-III)	Total
1	Total Available Units	43	70	178	291

It is pertinent to mention here that some officers who got registered with PHAF and retired in 2006-2007 had filed court case against the existing eligibility bracket i.e., 1-1-2008 to 31-12-2013. Aforementioned officers requested for fixation of starting cut-off date as 01.07.2006.

Category wise position of officers of occupational groups retiring between 01-07-2006 to 01-01-2008 is as under:

(5)


S. #	Description	Orientation	BPS 22	BPS 21	BPS 20	Total
1	01/07/2006 to 01/01/2008	Cadre	8	38	33	79

If all the above mentioned officers are also offered housing units into their respective category then the position of remaining housing units comes as under:

S. No	Description	BPS 22 (Cat-I)	BPS 21 (Cat-II)	BPS 20 (Cat-III)	Total
1	Remaining available Units	35	32	145	212

Total number of officers who have been promoted after the cut of date i.e. 01-01-2011 and have written to PHA Foundation (till date) for the entitlement as per their new grades is **18**. PHA Foundation has also received requests from **9** members who want a housing unit above their entitled category, including the petitioners.

If the above referred officers (**18+9 = 27**) are also offered housing units as per their requests then the category wise positions comes as under.

S. No	Description	BPS 22 (Cat-I)	BPS 21 (Cat-II)	BPS 20 (Cat-III)	Total
1	Remaining available Units	30	22	132	184

Category wise position of officers retiring between 01-01-2014 to 31-12-2015 is:

S. No.	Description	Orientation	BPS 22	BPS 21	BPS 20	Total
1	01/01/2014 to 31/12/2015	Cadre	9	34	89	132

If all the above mentioned officers are also allotted housing units into their respective category then the position will be:

S. No	Description	BPS 22 (Cat-I)	BPS 21 (Cat-II)	BPS 20 (Cat-III)	Total
1	Total Remaining Units	24	-12 *	43	55

* The number of officers into this category exceeds the limit of available units in this category.

It is important to highlight that around 42 housing units have been reserved for quota of different departments.

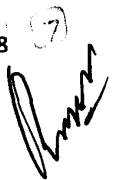
After accommodating these 42 housing units reserved for quota, the position of remaining housing units come to **13** which can be offered to Ex-cadre officers on age wise seniority, if approved by the Board.

It was further highlighted by the CEO that all the retired members of the scheme (retiring between 2008 to 2013) were informed and sent brochures to make down payment. The last date for payment was extended twice, the latest being 10th February 2012. Majority of officers did not respond. As a result 291 housing units were still available for allotment. CEO, PHA Foundation therefore, suggested that the eligibility criteria may be extended to those officers of Federally Constituted Occupational Groups who have retired or will be retiring between 01.07.2006 to 31.12.2015. It was also suggested that in case the total number of available units shall not get booked then the Ex- Cadre officers of federal government may be offered the housing units as per their seniority.

During the course of discussion, grave concern was shown on the dismal response by the perspective members to the scheme. Reason for that primarily, appeared to be the rigidly structured character of the scheme which needed a market based deep review so as to make the scheme a success. Resultantly, following decisions were taken:

Decisions:

- a-b) **The Board approved one category above housing units in all three (3) categories to those who were interested for the same, subject to payment of difference in cost.**
- c-d) **The eligibility criterion for the allotment of housing unit into Category I, II, and III be extended to all Federal government officers of BPS-20 to 22 including Ex-Cadre Officers and allotment be made on 'first come first serve' basis for which due publicity be given in press.**



- e) **It was decided that 10% extra charges (of the land cost) be charged for corner plots. These plots will also be offered on 'first come first serve' basis after due publicity in press and advance payment.**

- f-i) **Balloting may be conducted next week for those officers who have already made down payment. As regards balloting of remaining housing units, it may be conducted after receipt of down payment on 'first come first serve' basis.**

- f-ii) **In order to make the balloting transparent the members of the scheme, media persons and Chairpersons of Standing Committees of both the Houses of Parliament may also be invited to grace the occasion.**



ORDER PASSED BY THE ISLAMABAD HIGH COURT IN WRIT PETITION FILED BY THE PHA FOUNDATION EMPLOYEES

The Board was apprised that the Contract employees of PHA Foundation had filed a writ petition in the Islamabad High Court for regularization of their services as per Government Policy in vogue. The Islamabad High Court in Intra Court Appeal (ICA) No. 263/2011 had passed judgment in favour of the employees. Operational part of the judgment is as under:

"In the light of Government policy and minutes of Cabinet Committee meeting, the impugned order of the learned Single Judge in Chamber is set aside and consequently the writ petition and the instant Intra Court Appeal are accepted with the direction to respondents to consider the regularization of the services of the appellants keeping in view the prevalent policy of Government and minutes of Cabinet Committee regarding regularization of contract/ daily wages employees".

The main stress of the arguments of the learned counsel for the appellants was that the policy of Government regarding regularization was not being implemented and in this regard they had referred different directions/ letters issued by the Federal Government from time to time.

The Court had referred the Communication of Establishment Division vide their letter dated 28th January, 2011 wherein the following clarification on the subject, supposedly approved by the Federal Cabinet in its meeting held on 6th January, 2010:- was given.

- a) *To qualify for consideration of cases by the Cabinet Committee, contractual employees must have completed one year of service, upto 30.04.2011.*
- b) *Daily wages employees must have completed 3 consecutive appointments of 89 days each.*
- c) *Date has been extended up to 30.04.2011 vide letter of even number dated 20.05.2011*
- d) *Contractual employees working against posts that are to be filled through Federal Public Service Commission must be clearly identified in the information to be furnished to the Cabinet Committee. These posts can be withdrawn from the purview of the FPSC if considered expedient by the Ministries/ Divisions, subject to approval of competent authority.*

Secondly, the court had emphasized on the Cabinet sub-Committee directions, wherein, the Establishment Division vide letter No. F.3/5/2011/Admn.1 dated November 24, 2011 had conveyed that the advertisement issued for the recruitment against 238 vacancies in PHA Foundation should have been withdrawn immediately and the services of 138 employees not to be dispensed with/laid-off.

①


After receiving above referred directions, M/o Housing & Works had sought clarification from Cabinet sub-committee regarding law/ rules under which withdrawal of advertisement for recruitment had been directed. Instead of giving clarification on the above referred directions, a rejoinder was issued by the Establishment Division on December 19, 2011, which stated that the Secretary, M/o H&W and CEO, PHA Foundation should have ensured the implementation of the directions of the Cabinet Sub-Committee. They allowed for further recruitment in respect of posts other than those of 138 contract employees.

The Board was further apprised that the policy for regularization of contract /daily wages employees had been approved by the Federal Cabinet vide Cabinet decision case No. 76/10/2008 dated June 4, 2008 and circulated vide Establishment Division's OM No. 10/30/2008-R-II dated: 29th August 2008 which stated that all those employees working on contract basis against posts in BPS 1-15 in Federal Ministries / Division attached departments / subordinate offices/ autonomous bodies / semi-autonomous bodies / Corporation and were appointed prior to the decision of the Cabinet dated 4/6/2008 (viz upto 3rd June, 2008) may be regularized. However, those working on tenure post, project post or daily wages or those who are being paid from contingent or defence were not eligible for regularization. Further, criteria contained date of regularization, seniority, age relaxation, provincial quota and qualification had also been determined.

The Board was also apprised that salaries to some employees whose contracts had expired were yet not paid. The CEO proposed that contracts of those employees may be extended and salaries released accordingly.

Decision:

A. After detailed discussion it was decided to constitute the following Committee to examine the matter in the light of prevailing government policy and judgment of Islamabad High Court, with instructions to submit report within 15 days.

- | | | |
|------|---|-----------------|
| i. | Sr. Joint Secretary, H&W | Chairman |
| ii. | Director (Finance), PHA Foundation | Member |
| iii. | Director (Admn.), PHA Foundation | Member |

However, before notification and further deliberation by this committee on the issue, a meeting of the Cabinet Sub-Committee under the chairmanship of Syed Khurshid Ahmad

Shah, Federal Minister for Religious Affairs was held at 1500 hrs on March 15, 2012 wherein the regularization of employees of PHA Foundation also came under consideration. Further action will be taken on receipt of the minutes.

- B. The Board approved the proposal regarding extensions in contracts and release of salaries till March 31, 2012 in respect of employees whose contract period has expired and salaries not paid.



JOINT VENTURE MODELS

The Board was apprised that in 2008, PHA Foundation (earlier PHA) was entrusted with the job of undertaking Prime Minister's Housing Programme for construction One million housing units. Right after taking up the task, need was felt for joining hands with the private sector in order to translate Prime Minister's vision in letter and spirit due to acute shortage of land and funding arrangements.

In the quest for having private sector involved on mutual beneficent terms, several steps invitation of expressions of interest from land owners/ developers and signing of MOUs with various national and international firms. However, no substantial development was made (except two (2) JV projects) due to the non-existence of properly devised Joint Venture Models.

In a meeting held in PHA Foundation on August 22, 2011, it was decided that PHA Foundation will formulate a well-deliberated Joint Venture Housing models in consultation with housing experts.

Afterwards, a series of meetings were held on this subject and input was also obtained from renowned builders such as M/s Eden Builders, Lahore and M/s Habib Rafiq (Pvt.) Ltd. etc. Prepared JV models were placed before the PHA Foundation Board in 28th Authority meeting wherein, it was decided that PHA Foundation may review the JV Models and come up after consultation with renowned builders.

The said JV Models, after elaborate revisiting and due discussions with M/s Eden Builders, Lahore, M/s Habib Rafiq (Pvt.) Ltd. and Chairman, M/s Rakhshani Builders (Pvt.) Ltd., Islamabad etc., were placed before the Board for approval as under:

Developer Model-I

- Developer would submit a complete feasibility indicating the details of his own land, housing facilities, financial arrangements and marketing strategy
- Government/ PHA Foundation will facilitate the JV partner in obtaining NOCs and provision of utilities services from government agencies



- The ratio of units to be offered to government employees/ general public may be fixed as 60:40
- Government / PHA Foundation funding would not be involved except its name, goodwill and clientage
- Special Purpose Vehicle (SPV) would be formed to monitor the affairs of the project. However, the SPV would not manage the affairs. On the contrary, it will simply monitor the activities and suggest action in case of violation. For this purpose, some guarantee will be required from the developer (5% bank guarantee)
- Royalty/ facilitation fee will be 5% which should be payable to PHA Foundation and will be used against subsidization of units.
- Interest of the allottees will be safeguarded through following:
 - PHA Foundation to be part of SPV
 - Transfer of land to SPV
 - Payment through Escrow Account
 - Appointment of consultants by PHA Foundation and payments be made after their recommendations.

Developer Model-II

- In this model the state land owned by PHA Foundation would be made available to the developer for construction of housing units as equity of the project (recoverable on mutually agreed terms)
- The developer has to make / arrange complete investment for the project
- The developed housing units would be offered for sale to the Government employees and general public
- The developed units would be sold on profit sharing basis and share to be divided accordingly
- Interest of the allottees will be safeguarded through following:
 - PHA Foundation's representation in the BOD of SPV
 - Payments to be collected / made through Escrow Account
 - Supervision of accounts through qualified Chartered Accountants
 - Appointment of consultant to check the development activities of project and verify the bills for payment
 - Developer to submit bank guarantee against 5% value of land

Handwritten signature

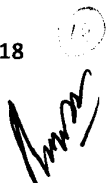
- The subsidy to the govt. employees to be met out of share of govt.
- SPV to manage the affairs

Developer Model-III

- In this model the private party, Government Department, organization or any other body will offer its land for development by PHA Foundation or through a third party on mutually agreed terms and conditions.
- PHA Foundation/ third party will have to make/ arrange complete investment for the project
- The developed housing units would be offered for sale to the Government employees and general public
- The developed units would be sold on profit sharing basis
- Interest of the allottees will be safeguarded through following:
 - PHA Foundation' s representation in the BOD of SPV
 - Transfer / Lien of land to SPV
 - Payments to be collected / made through Escrow Account
 - Appointment of consultant to check the development activities of project and verify the bills for payment

Decision:

While realizing the need for joining hands with the private sector, the Board desired that the Company may go for Joint Ventures with Public and Private Sector. However, approval of the Board may sought on case to case basis rather than having a wholistically structured approval.




CONSTRUCTION OF COMMERCIAL CUM RESIDENTIAL MULTI-STOREY COMPLEX AT CARLTON HOTEL PLOT, NEAR CANTT. STATION, SADDAR, KARACHI

In 29th Authority meeting, the Board was apprised about various development on the project (**Annex-'A'**). As per the decision, a meeting had to be convened with both interested bidders i.e., M/s Quality Builders and M/s Kiran Developers to obtain their opinion about the land price. However, before proceeding for this, it was decided that another meeting of the land committee be convened and land price evaluation be got done by some other renowned valuator.

Consequently, M/s Iqbal Nanjee was entrusted with the job of evaluating the land price and present its findings before the land committee. M/s Iqbal Nanjee assessed the present market price of the subject property at **Rs. 110,000/- per sq. yrd.** and also provided forced value of the property which comes up as **Rs. 82,500/- per sq. yrd.** Said report was discussed by the land committee in its meeting held on February 13, 2012 in Karachi wherein, following decisions were made:

- i. The main purpose of the Housing Schemes of PHA Foundation is not profit earning but make availability of affordable housing units for people with fixed/ low incomes. High prices of units in this particular area will not attract the clients.
- ii. The site survey of the Property area reveals that it is not very attractive for any high end product/ housing units.
- iii. At present the said Property is in residential category which requires to be converted into commercial, cost of commercialization needs to be included in the total value.
- iv. The asset (land) will be used as equality in the proposed project by PHA Foundation and there is no plan for its disposal/ sale in market.
- v. The reduction in cost of land will act as cross subsidy by PHA Foundation for Government servants and low income clients as per Prime Minister's Housing Programme.



- vi. The project will have open spaces as per building by laws to make it a good housing scheme. This will have effect on the per square yard cost of land available for building purpose. The cost per square yard will be worked out on average of Built up and open space. At present the good schemes are with ratio of 50:50 built up for and open spaces.
- vii. At present there is no permission for high rise building in the area of the Carlton Hotel Site. At present the construction permission is in ratio FAR 1:2.5.
- viii. Report of the valuator M/s Nanjee & Co. was reviewed in light of above facts and observed that the valuator has given fair price of land in the present market scenario. The forced value given by valuator could be used for the equity price only by PHA Foundation in the proposed project.
- ix. At the end the meeting was ended with vote of thanks to and from the chair.

Decision:

It was decided that the finally evaluated price of land be discussed with the bidders so as to obtain their point of view. In case bidders show interest, their complete proposals may be presented before the Board in its next meeting. Otherwise, PHA Foundation may look into the possibility of taking up the project on its own through a renowned consultant, if covered under the Foundation Rules.

CONSTRUCTION OF COMMERCIAL CUM RESIDENTIAL MULTI-STOREY COMPLEX AT CARLTON HOTEL PLOT, CANTT. STATION, SADDAR, KARACHI

The Authority was apprised that that PHA invited 'Expression of Interest' (EOI) from renowned groups/ companies through nationwide press publicity on August 28, 2011 (Annex-'H') as per PPRA Rules and Regulations with closing date as September 24, 2011 (extended).

Proposals by following three firms/ groups were received by the closing date:

- i. M/s Quality Builders (Pvt.) Ltd.
- ii. M/s National Construction Ltd.
- iii. M/s Kiran Developers (Pvt.) Ltd.

As per the instructions of the Authority, two high level committees (Annex-'I') were constituted for price evaluation of land & scrutiny of bids. Several meetings of these committees were held in which profiles and proposals of the above parties scrutinized. Presentations were made by M/s Kiran Developers and M/s Quality Builders on November 3, 2011 and November 21, 2011 respectively. M/s NCL Ltd., was not invited to present their proposal being a subsidiary of Ministry of Housing & Works and because of poor financial health.

During aforementioned presentations, both the parties failed to create any impression. Basic data demanded through the 'TORs' was not available and proposals seemed to be based on mere assumptions and anticipations. Most importantly, both firms did not offer any solid equity against the clear land equity of PHA and yet demanded profit sharing on 50:50 basis. Construction cost sounded unrealistic and was devoid of necessary backup.

LAND EVALUATION COMMITTEE

The committee for land price assessment headed by the Senior Joint Secretary, Ministry of Housing & Works, held its first meeting on November 15, 2011 which was attended by all the members including representatives of M/s Ferguson. After detailed discussions, a Sub-committee was constituted to visit the site and give its

recommendations. The sub-committee held its meetings on December 14, 2011 and placed its findings before the main committee in its second meeting held on December 20, 2011 in the Committee Room of NESPAK, Karachi (minutes placed at Annex-'J'). Prices so evaluated by the main committee are:

- i. Rs. 60,000/- to 70,000/- per Sq.yrd. for residential use
- ii. Rs. 138,000/- per Sq.yrd. for commercial use

The evaluated land price has been communicated to both the interested parties who have verbally conveyed their inability to proceed with the project in JV mode being commercially non-viable.

In view of the position explained above and complications/ delays attached with the formalities of Joint Venture (as PPRA rules are ambiguous and silent on various important points), equity sharing with private firms, dismal response from the investors/ private sector, matter was placed before the Board for discussion as under:

- a) Project may be re-advertised
- b) PHA may launch the project on its own through a renowned Marketing Consultant and construction done as per PPRA rules/ PHA policy in vogue.

In case proposal is approved, PHA may call technical/ financial proposals immediately from the consultants already prequalified/ shortlisted by PHA in collaboration with Pakistan Council for Architects and Town Planners (PCATP).

Decision:

A meeting of the Land Evaluation Committee be convened wherein, both the interested bidders may be invited so as to elicit their response regarding land price and to share mutual views. In case both the firms are not interested in carrying out the Joint Venture, PHA may go for hiring a top of the line Management Services Consultant who should carry out a detailed project appraisal and provide full assistance to PHA for envisaging/ planning, launching and marketing of the project. PHA may also hold exclusive meetings with renowned developers such as M/s Emaar Pakistan, Bahria Town, Defense Housing Authority (DHA), etc. to have a deep insight of handling the housing schemes on viable commercial basis.



FUNDING ARRANGEMENTS

It was apprised that Ministry of Housing & Works was in the process of construction of houses on mass scale, as such it needed innovation to achieve the targets. The Ministry had started exploring various venues to make arrangements with them for that purpose. Since September, 2011 committee of experts was formed in the PHA Foundation to bring up concrete suggestions to this effect while in view the national/ international practices and demand/ supply relationships.

Mr. Momin Ali Shah, Chairman, M/s Rakhshani Builders was specially invited to brief the Board about his proposals. In a nutshell (complete report at **Annex-'B'**), various options offered could be explained as under:

A. Bringing in the Investment

- i. Without interest but package should be 50 million dollar limit requiring 10 million dollar sovereign guarantee.
- ii. Providing funds to any limit provided Ministry keeps and holds back funds (min 100 million dollars) in the bank for 396 days (one year and one month)
- iii. Provide funds for BOT project upto Rs. 2 billion with 12 percent markup only.

B. Revolving Fund for Housing Development

It can be done in following ways:

- i. Through World Bank, ADB assistance (funds to the tune of Rs. 20 billion)
- ii. Through funding arrangements mentioned above

Decision:

The Board approved the proposals in principle. PHA Foundation may place the complete proposal for approval of the Board in its next meeting, after having due legal and techno-financial input.



TIME AND COST OVER RUN OF PHA FOUNDATION ON-GOING PROJECTS

The Board was apprised that certain projects of PHA Foundation had gone into cost and time overrun for which a summary was brought in 28th Board meeting held on 21st October, 2011. The Board decided to hold the fact finding inquiry for the reasons resulting into the cost and time overrun. Accordingly, the inquiry committee was constituted and its report was presented in the 29th Board meeting held on 3rd January, 2012 at Lahore. The Board decided for formal investigation in the light of the fact finding inquiry report and Mr. Sikander Hayat Maken, Project Director (PMC), Ministry of Housing and Works was appointed as an inquiry officer.

Mr. Sikander Hayat Mekan, Project Director (PMC), Ministry of Housing and Works, presented his findings before the Board in detail. After due discussions and deliberations, following decision was made:

Decision:

A Technical Committee comprising of Mr. Abdul Jabbar Malano, Director (Engg.), PHA Foundation, Mr. Momin Ali Shah and Mr. Safdar Ali, Superintending Engineer, Pak. PWD, will review the matter technically and submit its report within Seven (7) days.

