



PHA FOUNDATION

MINISTRY OF HOUSING & WORKS

SHAHEED-E- MILLAT, SECRETARIAT, BLUE AREA, ISLAMABAD



No. PHA-F/32nd BoD Meeting/2019/43

Dated: March, 14th 2019

Subject: MINUTES OF 32ND BOD MEETING OF PHA FOUNDATION HELD ON 27-02-2019 IN CONFERENCE ROOM OF PHA FOUNDATION, ISLAMABAD.

I am directed to enclose copy of approved Minutes of 32nd Meeting of the BoD of PHA Foundation which was held under the chairmanship of the Federal Minister for Housing & Works / Chairman, PHA Foundation on February 27, 2019 at 2:30 PM in the Conference Room of PHA Foundation, Islamabad.

Encl: As above

(Muhammad Irfan Khan)
Director (M&C)

Distribution:

- | | |
|---|--|
| 1. Ch. Tariq Bashir Cheema,
Federal Minister for Housing & Works/
Chairman, PHA Foundation,
Islamabad. | 2. Dr. Imran Zeb Khan,
Secretary Housing & Works,
M/o Housing & Works,
Islamabad. |
| 3. Mr. Muhammad Yaseen Shar Baloch,
Joint Secretary (Admin),
M/o Housing & Works,
Islamabad. | 4. Mr. Jawaid Akhter,
Joint Engineering Advisor,
M/o Housing & Works,
Islamabad. |
| 5. Mr. Zahoor Ahmad,
Financial Advisor (Works)/
Joint Secretary, Finance Division,
Islamabad. | 6. Hafiz Dr. Ahmad Bakhsh,
Member Engineering,
CDA, Islamabad. |
| 7. Mr. Muhammad Adnan Rashid,
Deputy Secretary (Admin),
M/o Housing & Works,
Islamabad. | 8. Mr. Waseem Hayat Bajwa,
Director General,
FGEHF, Islamabad. |
| 9. Mr. Tariq Rashid,
Chief Executive Officer,
PHA Foundation, Islamabad. | 10. Mr. Shahid Farzand,
Director General,
Pak. PWD, Islamabad. |

Copy for information to:

- i. PS to Chief Executive Officer, PHA Foundation, Islamabad.
- ii. PA to Chief Engineer, PHA Foundation, Islamabad.
- iii. PA to All Directors, PHA Foundation, Islamabad.
- iv. Section file.

MINUTES OF 32ND BOD MEETING OF PHA FOUNDATION

AGENDA ITEM NO.	SUBJECT
01	Confirmation of Minutes of 31 st BoD Meeting of PHA Foundation
02	Creation of post of Director Admin/HR, PHA Foundation (BS-19)
03	Approval for Co-Signatories of PHA-F Bank Accounts
04	Extension of contract period of Mr. Faqir Muhammad, Engineering Consultant, PHA Foundation
05	Approval of formulation of Manual of Standing Orders (MSO) of PHA Foundation
06	Re-Appropriation / Rationalization of Budgetary Estimates of PHA-F for the year 2018-19
	Kuchlak Road Project, Quetta, Balochistan
07	A. Launch of Kuchlak Road Project, Quetta and Membership drive B. Opening of Daily Product Bank Accounts for Kuchlak Road Project, Quetta
08	Approval from Board of Directors / AGM for Audited Accounts / certified Financial Statements of Pakistan Housing Authority Foundation (PHA-F) & PHA-F Employees CP Fund for the Financial Year ended June 30, 2018
09	Extension of PHA-F Auditors
10	Matter pertaining to refund and upfront payment to the members of the Executive Apartments at G-10, G-11 & Kurri Road Project.
11	Provision of Land by FGEHF in F-14, F-15 and Park Road in compliance of 137 Executive Committee Meeting of Federal Government Employees Housing Foundation for Executive Apartments
12	Kurri Road Project: A. Waiver of Delay Payment Charges (DPC) and progress of work at site in PHAF Officers Residencia Project, Islamabad B. Arrangement of funds on short term basis for PHA-F Officer Residencia (Kurri Road Project) for clearing pending and anticipated claims of contractors and consultants.
Table Agenda 1	Restoration of allotment of Apartment No. TF 07 (D Type) Block 61, I-11, Islamabad.
Table Agenda 2	Auction of deferred apartments in PHAF Projects

32nd Meeting of the Board of Directors, PHA Foundation was held under the Chairmanship of Honourable Federal Minister for Housing & Works/ Chairman, PHA Foundation on February 27, 2019 at 2:30 PM in the Conference Room of PHA Foundation, Islamabad.

2. The meeting started with recitation from the Holy Quran.

AGENDA ITEM NO. 01

CONFIRMATION OF MINUTES OF 31ST BOD MEETING.

Managing Director/ Chief Executive Officer, PHA Foundation briefed the Board and stated that Minutes of 31st BoD Meeting held on November 13, 2018 at 12:30 PM were circulated among the members. No objection was raised/received till date; therefore, the Board may confirm the minutes of 31st BoD Meeting.

DECISION:

The Board of Directors confirmed Minutes of 31st BoD Meeting with directions that in future minutes of the meeting should be circulated amongst all the members of BoD in both hard and soft forms. Their written suggestions, if any, be incorporated in the minutes.

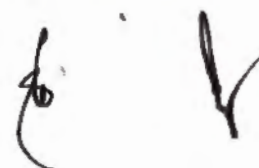
AGENDA ITEM NO. 02

CREATION OF POST OF DIRECTOR ADMN/HR, PHA FOUNDATION (BS-19)

The BOD was apprised that after conversion of Pakistan Housing Authority as PHA Foundation the Ministry of Housing & Works vide Notification dated 31st January, 2012 re-designated post of Director (Administration) as Company Secretary, PHA Foundation and thereafter, a single person/officer is dealing with all the administrative and company matters of the Foundation.

2. Since, setting up of PHAF Regional Offices at Lahore, Karachi, and Quetta and launching of various mega projects coupled with the requirements of corporate governance has increased work of Administration Wing of the Foundation. Besides these, after fresh recruitments, human resource strength of the foundation has also increased. Resultantly, the daily business of the Administration and Human Resource wings of PHAF has immensely increased. Therefore, as desired by chairman of BOD the work of Director (Admin) and Company Secretary may be divided by segregating the post of Director (Admin) and Company Secretary. Accordingly, PHA Foundation proposed to create a post of Director Admin/HR (BS-19) in the organization to streamline and ensure smooth functioning of the overall administrative and Human Resource (HR) affairs of the foundation in the best public interest.

3. In this regard, it was apprised that PHA Foundation is a self-revenue generating company and does not receive any budgetary allocations from the Federal Government. Hence, the creation of the post of Director Admin/HR (BS-19) would carry no financial burden on the public exchequer. Rather, the funds involved in creation would be met from the current budget of PHA Foundation. Moreover, Board of Directors of PHA-F is competent forum to create / abolish any post as per requirement of Foundation. Previously, all the posts of PHA-F were created with the approval of BoD.



4. In light of the above, approval of BOD was solicited for creation of post of Director Admin/HR (BS-19) in PHA Foundation in the best interest of the organization with the direction to Human Resource Committee of PHAF to determine criteria/eligibility etc.

The matter was placed before the BoD for consideration.

DECISION:

After detailed deliberation the BoD decided that the matter of creation of the post of Director Admin/HR (BS-19) in PHA Foundation may be referred to HR Committee of PHAF for re-consideration. Care may be taken that the number of Directors may not exceed the sanctioned strength of Directors. Regarding Company Secretary of PHAF, it may be filled from within the existing Directors of PHAF. If none of them fulfill the criteria for a Company Secretary as mentioned in Corporate Governance Rules, 2013 then the services of an Officer as Company Secretary may be requisitioned on deputation basis.

AGENDA ITEM NO. 03

APPROVAL FOR CO-SIGNATORIES OF PHA-F BANK ACCOUNTS.

It was informed that PHA-F is a self-revenue generating company registered with SECP under section 42 of Companies Ordinance 1984 and working under the administrative control of Ministry of Housing & Works through its Board of Directors. It was further informed that PHAF is presently maintaining 15 project wise accounts in different banks as daily product account (DPA), opened in line with Finance Division Guidelines, 2003 as per details below:

Project wise bank accounts / main bank account details				
On Going Projects		Name of Bank	Bank Balance amount in million	Credit Rating L/T
S.No	Accounts Numbers & Heads			
1	A/C(1002469177) (I-11) Isb	Bank Alfalah	8.850	AA+
2	PHA Officer Residencia Project ISB AC(08-4790006-01)	Standard Chartered Bank	24.676	AAA
3	135-2025981-149 (I16/3) Isb	Faysal Bank Limited	16.605	AA
4	AC (237-20614-714-105971) "C" type appts Isb at G-11/3	Habib Metropolitan Bank	19.795	AA+
5	AC (237-20614-714-105917) "E" type appts at G-11/3 Isb	Habib Metropolitan Bank	30.165	AA+
6	AC(237-20614-714-105924) "D" type appts at G-10/2 Isb	Habib Metropolitan Bank	105.623	AA+
7	AC(237-20614-714-105995) "D" type apartments at Wafaqi colony Lahore	Habib Metropolitan Bank	20.776	AA+
8	AC(237-20614-714-105988) "E" type apartment at wafaqi colony Lahore	Habib Metropolitan Bank	15.305	AA+

9	AC (237-20614-714-105949) "D &E" type additional apartments at Wafaqi Colony Lahore	Habib Metropolitan Bank	67.675	AA+
10	AC(237-20614-714-105931) Shops UET Lhr	Habib Metropolitan Bank	15.815	AA+
11	AC1351490006073(Executive Wafaqi Colony, Lahore)	Faysal Bank Limited	10.384	AA
12	AC(02-37-20614-714-118021) G-11/4 Additional lbd	Habib Metropolitan Bank	0.157	AA+
13	Ac(02-37-20614-714-118038) I-16 lbd	Habib Metropolitan Bank	403.974	AA+
14	AC (08-4790006-03) I-12 IBD	Standard Chartered Bank	1,035.228	AAA
15	AC (3139616082) Retention Money	National Bank of Pak	645.657	AAA
16	2002576522 PHA-Main AC	Silk Bank	537.174	A-
Sub Total			2,957.857	

2. It was further briefed that currently PHA-F bank accounts are being operated by three signatories i.e. Director Finance, Deputy Director Finance-II and Deputy Director Engineering who are duly authorized by the Board in its 23rd meeting held on 23-12-2016. PHA-F Board under para 59 and 60 of Articles of Association of PHA-F can authorize person (s) to sign any cheque or to enter in to any contract.

3. In order to further streamline the mechanism of co-signatories, it was proposed that the following officers may be included in cheque signatories list for PHA-F in addition to the above mentioned cheque signatories in respect of all bank accounts operation in order to avoid any delay in preparation of cheques and ensure maximum level of transparency:-

Sr. No.	Name of officer / Designation
1	Deputy Director Admin-I
2	Deputy Director ASC-I
3	Director Engineering

4. The signature of Director (Finance) or Deputy Director (Finance-II) will invariably be required on every cheque in addition to a co-signatory from any of the above signatories.

The matter was placed before the BoD for consideration.

DECISION:

The BoD decided that a Director Engineering may be included in the list of already approved co-signatories. It was further decided that the matter of interest rates may be taken up with all respective Banks in line with the monetary policy announced by State Bank of Pakistan. In case of non-compliance by the banks concerned, fresh bids/quotes may be called from the banks as per Finance Division guidelines on the subject. It was also decided that the option of investing funds,

not urgently required, in the TDRs may also be explored in the light of Finance Division guidelines.

AGENDA ITEM NO. 04

EXTENSION OF CONTRACT PERIOD OF MR. FAQIR MUHAMMAD, ENGINEERING CONSULTANT, PHA FOUNDATION

The BOD was apprised that consequent upon the recommendations of Selection Committee and with the approval of BoD in its 27th Meeting held on 07-12-2017, Mr. Faqir Muhammad, was appointed as Engineering Consultant in PHA-F, Islamabad on contract basis for a period of one year w.e.f 19-12-2017 as per following terms and conditions mentioned in offer of appointment dated 19th December, 2017.

- i) Engineering Consultant will perform duties **under the direct supervision of Chief Executive Officer, PHAF**, which will include technical/architectural and financial matters.
- ii) Will be responsible to assist PHAF regarding solution, smooth implementation, completion and initiation of different current and future projects.
- iii) Will analyze proposals from PHAF technical section and will give feedback/reviews.

Such proposals will be in below mentioned forms:

- a) Feasibility reports.
- b) PC-I,II,III,IV,V as per current mechanism of PD and R Division.
- c) Process projects submitted by Engineering Section or referred by CEO, PHAF.
- d) Ensure implementation of PPRA Rules and SOPs of PEC during the pre-qualification process of Consultants and Contractors.
- e) Observe/analyze audit observations and answers made by technical and financial sections and also give due opinion to CEO, PHAF as required regarding bill claims of concerned contractors and consultants.

3. The contract period of Mr. Faqir Muhammad expired on 18th December, 2018. As per the approved minutes of 27th BoD meeting, the contract of Engineering Consultant was extendable, subject to his annual performance and with the approval of BoD.

4. Keeping in view the satisfactory performance and due to the ongoing projects of PHA Foundation for Federal Government Employees and General Public in Lahore, Karachi, Quetta and in Islamabad, the services of Mr. Faqir Muhammad were required as Engineering Consultant in PHA Foundation in the best interest of organization. In this regard, Minister for Housing and Works being Chairman of BoD, approved the extension of Mr. Faqir Muhammad, Engineering Consultant, w.e.f 19-12-2018 till the decision of the forthcoming BoD.

The matter was placed before the BoD for consideration.

DECISION:

The BoD approved contract period of Mr. Faqir Muhammad, as Engineering Consultant for a further period of one year w.e.f 19-12-2018 in the best interest of the organization.

APPROVAL OF MANUAL OF STANDING ORDERS (MSO) OF PHA FOUNDATION

The BOD was apprised that PHA Foundation is a public company limited by guarantees and registered under section 42 of Companies Ordinance, 1984 and working under Ministry of Housing & Works, Islamabad. Since its conversion into company on January 19, 2012, PHA Foundation has not yet formulated its own Manual of Standing Orders, (MSO). The matter was placed before 23rd BoD meeting held on 20-12-2106. The PHA-F Board constituted a committee for preparation of MSO of PHA-F in order to avoid complications in the usual conduct of business of the company as well as implementation of government and company regulations. Since the creation of MSO committee, different regulations have been formulated by PHA-F with the approval of the Board as given below:-

- I. PHA-F Employees Service Regulations 2017
- II. PHA-F Employees CP Fund Regulations 2017
- III. PHA-F Regulation for Medical Attendance 2017

02. The Committee scanned and perused all Authority /Board meetings and compiled procedures /policies already approved by the PHA-F Board in its different meetings like:-

- I. Land/Estate related policies & procedures.
- II. SOPs for financial management of PHA-F
- III. Administration related policies & procedures

03. Furthermore, the Committee formulated/documented the procedures, policies which though being practiced in PHA-F had no formal approval e.g. Procedures pertaining to preparation of budget in three separate portions, re-appropriations, opening project-wise accounts and accounts for management of different fees, fund etc.

04. The draft MSO document was presented in 31st BoD meeting for its approval. The BoD discussed the matter in detail and appreciated the efforts of PHA-F team for compilation of MSO and further directed that draft MSO document be distributed amongst the members of PHA-F BoD for detailed review and submit before next meeting of BoD along with views/comments of members of BoD (if any), for final approval.

05. In compliance of BoD's directive, MSO document was circulated to all members of PHA-F Board for detailed review, views and comments. PHA-F has not received any views and comments from PHA-F BoD members till date.

The matter was placed before the BoD for consideration.

DECISION:

The BoD approved those sections of MSO which have already been approved by BoD from time to time. However, all such proposals/improvements which have not been earlier approved by the BoD would be referred to Finance and Accounts Committee of PHAF for review and recommendations. Director Estate would present the proposed improvements in MSO before the Committee. Their recommendations shall be presented before next BoD meeting.



REAPPROPRIATION /RATIONALIZATION OF BUDGETORY ESTIMATES OF PHA-F FOR THE YEAR 2018-19

It was informed that PHA Foundation is a public company limited by guarantees and registered under Section 42 of the Companies Ordinance 1984 under administrative control of Ministry of Housing and Works. Its objective is to provide low cost housing units to federal government employees, low income groups, employees of the foundation and other specified groups of people as decided by the Foundation from time to time on ownership basis in Islamabad and other major cities of Pakistan. PHAF is a self-revenue generating company and does not receive any regular grant from the Government.

2. PHAF budget estimates for financial year 2018-19 were prepared in consultation with all Wings of PHA-F which was approved by PHA Foundation Board in its 30th meeting held on 19-07-2018. Due to following reasons and taking into account the actual achievements till date, the approved budgetary targets fixed for FY-2018-19 needed to be rationalized:-

- a) Anticipated receipts of the executive apartments located at G-10/2, G-11/4, Kurri Road Islamabad and project at Gulistan-e-Johar Karachi were affected because existing allottees had taken stay orders from the court and balloting process for allotment could not be finalized till date, so the expected revenue could not be generated. Moreover, NOC approval from the respective development authorities was still awaited.
- b) During the preparation of Annual Budget for the FY 2018-19, revenue receipts of I-12 project were calculated on the basis of 100% booking during the financial year 2018-19. However, target of 100% booking could not be achieved, as out of total number of 3200 Apartments, 1698 apartments have been booked and remaining are still to be booked; therefore, revenue target was being rationalized.
- c) Similarly, during the preparation of Annual Budget for the FY 2018-19, the revenue receipts of I-16 project were calculated on the basis of 100% booking during the FY 2018-19. However, due to incomplete infrastructure by CDA at sector I-16 i.e. school, hospital and allied facilities, the projected target of 100% booking could not be achieved, as out of 1584 apartments 1417 apartments have been booked. Therefore, revenue targets were being rationalized for the FY 2018-19.

Summary of Revised Budget Estimates Financial Year 2018-19			
S.NO	Description	Approved Budget for Period 2018-19	Revised Budget Estimate FY-2018-19
a	B	c	d
1	Operational Budget & Pay and Allowances	399,415,618	399,415,618
2	Development Budget	9,193,099,289	6,958,884,038
3	Total (1+2)	9,592,514,907	7,358,299,656
4	Revenue Budget (Projects)	9,798,329,071	7,283,493,873
5	Revenue Budget (Operational)	184,060,000	184,060,000
	Total	9,982,389,071	7,467,553,873

03. The Finance & Accounts Committee recommended placing the re-appropriation of budgetary allocation & rationalization of budget target FY 2018-19 before the forth coming meeting of PHA-F Board for consideration/approval.

The matter was placed before the BoD for consideration.

DECISION:

The BoD unanimously approved re-appropriation of budgetary allocations & rationalization of budget targets for Financial Year 2018-19.

AGENDA ITEM NO. 07

KUCHLAK ROAD PROJECT, QUETTA, BALOCHISTAN

A. LAUNCH OF KUCHLAK ROAD PROJECT, QUETTA & MEMBERSHIP DRIVE

A piece of land measuring 86 acres at Kuchlak Road Quetta was provided by Board of Revenue, Government of Baluchistan to PHA-F in compliance with announcement made by the then Prime Minister for construction of affordable Housing.

2. Subsequently, upon the directions of Senate Standing Committee, a Joint Working Group (JWG) was constituted to look into the launching of project.

3. In the 3rd meeting of JWG it was decided that appointment of proper consultant for the said project is necessary so that they can prepare feasibility report, design drawing and PC-1. The matter regarding appointment of consultant was presented to Honorable Minister, Housing & Works through Secretary, Housing & Works for approval. Subsequently, Honorable Minister approved hiring of the Consultant. Process for appointment of the consultant was completed after fulfilling all the codal formalities and the task was assigned to M/s JV CIV-TECH & EPAC consultants. Accordingly the consultant started work on Feasibility Study and other allied activities. Subsequently, a site visit was carried out by the JWG of PHA-F, Islamabad, Regional office Quetta and the consultant which submitted detailed review of the project. With the cooperation of Revenue Department and Irrigation Department, Government of Baluchistan, a layout plan was prepared with four categories of houses as detailed below in addition to development of Commercial Areas:-

Sr. No.	Category	Plot Size	No. of Houses
1.	Cat-I	50' x 90'	48
2.	Cat-II	40' x 80'	112
3.	Cat-III	30' x 60'	350
4.	Cat-IV	25' x 45'	441
Grand Total			951

4. The matter was placed before the 31st BoD meeting held on November 13, 2018. BoD approved the proposed layout plan of the scheme for sharing with QDA. BOD directed PHA-F to obtain NOC from QDA, prepare comprehensive plan, which may include prices of grey structure houses, shops etc., and determine quota for provincial/ Federal Government Employees, General Public, employees of PHA-F and employees

of Ministry of Housing & Works and place before the BoD for approval and launching membership drive in due course of time.

5. In line with directions of BoD meeting, a detailed PC-1 by the consultant covering all the aspects as pointed out by BoD has been prepared. The PC-I is in the process of submission to the relevant forum for approval. Moreover, NOC has already been obtained from QDA and Irrigation Department Baluchistan vide letter No. 375/DTP/QDA/2017-210-213 dated March 19, 2018 vide letter No. CB/2018/493-98 dated February 21, 2018 respectively. Master layout plan has also been submitted to QDA vide letter No. PHA/DD (PLG)/ISL/2018/03 dated December 31, 2018 as per details below:-

Sr. No.	Category	Plot Size	No. of Houses
1.	Cat-I	50' x 90'	45
2.	Cat-II	40' x 80'	99
3.	Cat-III	30' x 60'	398
4.	Cat-IV	25' x 45'	444
5.	Apartments	1550 Sft.	48
Grand Total			1034

6. The meeting was told that PHAF now intends to launch the project with initiation of membership drive as per the following Terms and conditions:

- i. Nonrefundable membership fee of Rs: 10000 for GP and Rs: 5000 for FG /PG employees will be received.
- ii. Widows of deceased FG/PG employees will also be eligible as per their entitlement.
- iii. Eligibility criteria will be as follows:
 - a) Cat-I BPS 20-22
 - b) Cat-II BPS 18-19
 - c) Cat-III BPS 15-17
 - d) Cat-IV BPS 01-14
 - e) Apartments BPS 17-22
- iv. Offering of apartments on 35% quota for FG employees, 30 % for provincial government of Baluchistan, 05% for employees of PHA-F and M/o H&W and 30% for General Public (GP).
- v. The members of executive apartments of G-10/2, G-11/4 and Kurri Residencia projects will be considered for allotment in Kuchlak Project subject to submission of filled in forms.
- vi. Payment schedule will be three years (12 quarterly installments).
- vii. In case of low response from the FG/PG employees, all quotas will automatically be opened for General Public on " First come First Serve Basis" after four months of its launching. However, the FG/PG employees will still remain eligible for the allotment on the cost fixed for FG employees.
- viii. In case, PHA-F receives applications more than the available houses, balloting through balloting software will be conducted for allotment.
- ix. House numbers and street/lane number will be allotted through software balloting once the project is completed in all respects.

- x. The project will be considered viable if 30% response is received during membership drive. In case response is lower than 30%, the project will be reviewed for relaunching.
- xi. The tentative cost of the project in category wise price of grey structure houses / apartments for different quota segments is as per below:

S.N.	Category	Covered Area (Sft.)	Nos (N)	Construction Cost (C) (In Million)	Unit Cost for General Public. (In Million)	Unit Cost for Federal Government Employees (In Million)	Unit cost for Provincial Government Employees. (In Million)	Unit Cost for PHAF/Ministry of Housing & Works Employees (In Million)
1	(50x90)-I	3636	45	11.77	13.54	11.06	11.06	10.35
2	(40x80)-II	2500	99	9.53	10.96	8.95	8.95	8.38
3	(30x60)-III	1629	398	6.79	7.81	6.38	6.38	5.97
4	(25x45)-IV	1164	444	5.86	6.74	5.51	5.51	5.16
5	Apartments	1250	48	6.86	7.89	6.44	6.44	6.03

The matter was placed before the BoD for consideration.

DECISION:

After detailed discussion, the BoD approved the proposals as mentioned in Para-6 (Sr. No. I to XI above) with the directions that the Membership Drive for Kuchlak Road Project Quetta may be launched immediately.

B. OPENING OF DAILY PRODUCT BANK ACCOUNT FOR KUCHLAK ROAD PROJECT, QUETTA.

In compliance with 30th BoD decision, sealed quotations were called from scheduled banks through advertisement published in national daily newspapers on December 05, 2018, which were opened by the Finance & Accounts Committee in the presence of bank representatives at 11:00 AM on December 20, 2018 in line with general policy guidelines of Finance Division for depositing /maintaining working balances of public sector enterprises and local autonomous bodies 2003, as amended from time to time. Comparative Statement of quoted rates was prepared and signed.

2. The Committee examined and reviewed the quoted rates of banks in line with salient features of Finance Division Guideline, 2003 for deposit of working balances and investment of surplus funds. Analysis of the quoted rates is as below:-

- i. Sindh Bank having short term A-1+ and Long Term +AA credit rating offered the highest profit rate i.e. 9.80% with condition of minimum Rs.100 million deposit
- ii. Silk Bank having Short Term A-2 and Long Term A- rating offered second highest rate i.e. 9.35% p.a. on aggregate group of accounts of PHA-F. It was informed that PHA-F has already been maintaining five (05) accounts with Silk Bank having aggregated balance of more than Rs. 600 million
- iii. Askari Bank having Short Term A1+ and Long Term AA+ rating has offered the third highest rate i.e. 9% without any condition

- iv. The quotation of Habib Metropolitan Bank, Ltd contained hand written entries and exact quoted rate was not clear. Overwriting was not allowed as per advertisement of PHA Foundation
 - v. Another institution named NBP Funds was not a scheduled bank as per the list of banks uploaded on the website of State Bank of Pakistan. Furthermore, it had not offered clear rate for a Daily Product Account which had been mentioned in the advertisement of PHA-F and which was a pre-requisite.
3. It was also informed that the current SBP bench mark interest rate is 10% p.a.
4. Finance & Accounts Committee of PHA-F BoD had proposed that the matter may be placed before BoD for consideration. The Committee had further suggested that in future published advertisement may also be communicated to main branches of all banks having at least "A" rating located in Islamabad to obtain best optimal profit rates.

The matter was placed before the BoD for consideration.

DECISION:

The BoD accorded approval to the proposal of Finance & Accounts Committee for opening of Daily Product Bank Account for Kuchlak Road Project, Quetta with the directions to readvertise and seek fresh quotations from banks for opening of Kuchlak Road Project bank account.

AGENDA ITEM NO. 08

APPROVAL FROM BOARD OF DIRECTORS/AGM FOR AUDITED ACCOUNTS /CERTIFIED FINANCIAL STATEMENTS OF PAKISTAN HOUSING AUTHORITY FOUNDATION (PHA-F) & PHA-F EMPLOYEES CP FUND FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018.

The BOD was apprised that Annual Audited Accounts/Financial statements of the Pakistan Housing Authority Foundation and PHA-F employees contributory Provident Fund for the financial year 2017-18 had been completed by the external auditor of PHA-F i.e. M/s Aslam Malik & Co. Chartered Accountants. The external Auditors issued audit reports along with the request to provide requisite documents for formal issuance of signed audit report as per requirements of Companies Ordinance 1984/SECP guidelines.

02. The audited Financial Statements of PHA-F for FY 2017-18 and Financial statements of PHA-F employees CP Fund were discussed and reviewed by Finance & Accounts committee of PHA-Foundation Board in its meeting held on 23-01-2019. The Committee recommended the above mentioned audited Financial Statements for presentation to PHA-F BoD/AGM for approval.

03. The matter was placed before the Board for consideration with the request to declare 32nd BOD meeting as **Annual General meeting (AGM)** of the Board as required by Securities and Exchange Commission of Pakistan (SECP) vide Companies Act, 2017 under Section 223, 232 & 233 and also laid down in Section 63, Article of Association of PHA-F. The chair declared the meeting as AGM.



04. In compliance with the laid down mechanism, the Board of Directors/**Annual General Meeting** was requested for approval of Audited Financial Statements for Financial Year 2017-18 along with PHA-F employees CP Fund financial statements for FY 2017-18.

The matter was placed before the BoD/AGM for consideration.

DECISION:

- a) The BOD/AGM unanimously approved the Audited Accounts / Certified Financial Statements of Pakistan Housing Authority Foundation (PHA-F) & PHA-F Employees CP Fund for the Financial Year ended June 30, 2018.
- b) In line with SECP rules, regulations, the 32nd BoD meeting has been declared as the 7th Annual General Meeting (AGM).

AGENDA ITEM NO. 09

EXTENSION OF PHA-F AUDITORS

It was briefed that annual financial attest of PHA-F Accounts for the financial year 2017-18 had been completed by auditors M/s Aslam Malik & Co., the External Auditor of PHA-F and had issued Certified Audit Report. The Financial Statements alongwith audit report had been submitted to the BoD / AGM through a separate agenda item.

2. BoD / AGM was told that PHA-F intended to re-appoint /extend appointment of the existing auditors M/s Aslam Malik & Co. Chartered Accountants for financial year 2018-19 on existing terms and conditions.

The matter was placed before the BoD/AGM for consideration.

DECISION:

In line with the provisions of Companies Act, 2017, BoD of PHA-F / AGM approved reappointment / extension in appointment of existing auditor (M/s Aslam Malik & Co.) for the Financial Year 2018-19 on existing terms & conditions.

AGENDA ITEM NO. 10

MATTER PERTAINING TO REFUND AND UPFRONT PAYMENT TO THE MEMBERS OF THE EXECUTIVE APARTMENTS AT G-10, G-11 & KURRI ROAD PROJECT.

PHA-Foundation conceived a project to allot executive apartments to FG employees of Grade 20 and above. The project was designed to be constructed on the vacant space in the already completed projects. The manual balloting of all registered officers of grade 20 and above was conducted in 2016 and allotment letters were issued to successful members. The then Prime Minister of Pakistan took notice of irregularities in balloting and cancelled the whole process and directed M/o H& W to formulate a policy of allotment. In compliance with the directions of PM office, the whole process was canceled ab-initio and all allotments were withdrawn. A high level committee under the chairmanship of senior joint secretary M/o H & W was constituted to draft ToRs/Policy for



allotment in the project. The recommendations of the committee were placed before BoD and the same were approved in 24th BoD meeting.

2. In light of the approved policy, membership drive for allotment of executive apartments in the subject projects was again launched in 2017. Membership fee of Rs 5000/- along with an upfront payment of Rs 100, 000/- was received from 1558 applicants. The membership drive was kept open for one month so that maximum eligible officers could take benefit of it.

3. It was informed that right after launching of the membership drive in 2017, few applicants who were allotted apartments in the initial balloting (balloting which was cancelled by the PM) filed court case for impugning the cancellation of their allotment letter with the plea that their apartments might not be put into upcoming balloting as they were already allotted the apartments. Honorable Islamabad High Court issued orders and restrained PHA-F from balloting. The court stay was one of the hurdles in conducting of balloting. The rest of the hurdles were as under:

- i. Delay in approval of lay out plan by CDA in Kurri Residencia project based on directions of PAC and Wafaqi Mohtasib.
- ii. Litigation by the existing allottees of G-11/4 projects with the plea that the subject area/land was earmarked for the Mosque and play ground.
- iii. Non allotment/clearance of land by CDA in G-10/2 project due to bed of Nullah.

4. It was further stated that, recently, the court stay had partially been vacated and PHA-F had been allowed to conduct balloting except the apartments under adjudication. However, the legal wing of PHA-F had clearly mentioned that balloting might not be conducted to avoid multifarious litigation if the court decided the case in favor of petitioners. The forum was further informed that consultancy and construction contracts have been awarded to various consultants and contractors. However, due to the reasons explained above, projects could not take off physically at site and there was likelihood to incur undue liabilities, although undertaking for not launching any claims due to delay has been obtained from the contractors.

5. In light of facts stated above, the following proposals were placed before the BoD for consideration.

- a. All allottees may be informed regarding the issues of the project through a detailed letter. They may be offered refund of their upfront payment.
- b. The members who don't take the refund, their money will be kept as trust with PHA-F and they will be considered under the rules and policy.
- c. That the consultancy and construction contracts shall be terminated immediately.

The matter was placed before the BoD for consideration.

DECISION:

- a. **All allottees be informed regarding the issues of the project through a detailed letter. They may be offered refund of their upfront payment.**
- b. **The members who don't take the refund, their money to be kept as trust with PHA-F and they will be considered under the rules and policy.**

- c. Following project contracts/supervisory consultancy services be terminated immediately due to technical extraneous reasons:
- i) Contract No. PHAF/004-A/ISL/2016, construction of Multi-Storey Apartment, Block No. 37A, 38A & 39A (Pocket-I) at Sector G-11/4, Islamabad.
 - ii) Contract No. PHAF/014-A/ISL/2016, construction of Multi-Storey Apartment, Block No. 71, 72 & 73 at Sector G-11/4, Islamabad.
 - iii) Contract No. PHAF 08/03-B, construction of Multi-Storey Apartment, Block No. 25, & 26 at Sector G-10/2, Islamabad.
 - iv) M/s JV Civ Tech Associates and Epac Consultant, Supervisory consultancy services for the development of Multi-Storey Apartments at Sector G-10/2 & G-11/4, Islamabad.
- d. PHAF shall retender above mentioned projects only after clearance of the sites in all respects.

AGENDA ITEM NO. 11

PROVISION OF LAND BY FGEHF IN F-14, F-15 AND PARK ROAD IN COMPLIANCE OF 137 EXECUTIVE COMMITTEE MEETING OF FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION (FGEHF)

It was informed that PHA Foundation is an implementing arm of Ministry of Housing & Works, whose responsibility is to bring development in Housing Sector to eliminate shelterlessness. In past PHA launched several housing projects nationwide under the Prime Minister's Housing Program for low and middle income strata of the society and Government employees on lands provided by various Federal and Provincial land owning agencies.

2. Keeping in view the huge-demand-supply gap in affordable housing on ownership basis, the Executive Committee of FGEHF in its 137th meeting held on 15-12-2015 considered and accorded approval for provision of 15 acres of land to PHA-F in FGEHF's sectors in F-14 & 15 and Park Road, Islamabad for development of housing scheme as requisitioned by PHA-F.

3. In this connection, PHA Foundation took up the case with the FGEHF for implementation of the said decision. It was mentioned that Ministry of Housing and Works had also directed FGEHF to expedite the transfer process of land to PHA-F, as decided by the Executive Committee of FGEHF. However, the response is still awaited.

The matter was placed before the BoD for consideration.

DECISION:

After detailed deliberation the BoD decided that the FGEHF will transfer 15 acres of land to PHA-F in F-14 / F-15 and Park Road Islamabad each subject to clearance of the case from the Supreme Court.



KURRI ROAD PROJECT:

A. WAIVER OF DELAY PAYMENT CHARGES (DPC) AND PROGRESS OF WORK AT SITE IN PHAF OFFICERS RESIDENCIA PROJECT, ISLAMABAD.

It was apprised that the PHA-Foundation placed an agenda item before the 31st meeting of PHA-F Board regarding the request of the allottees for waiver of delayed payment & other charges. The Board, after detailed discussion and deliberations approved to constitute a committee to look into the matter and place the recommendations before the next BoD for decision. The latest progress of the project was shared with BoD alongwith steps taken by the PHAF to complete the project and hand it over to the allottees at the earliest. These included:

- i. Engineering design and specifications of services and utilities, scheme for independent water supply, sewage collection and treatment system had been submitted to CDA on 06.11.2012.
- ii. Open space of the projects, graveyard and land under right of way, roads etc. has been transferred in the name of CDA on 09.01.2019 as per CDA's requirement.
- iii. Infrastructure design has been submitted to CDA for issuance of NOC in 2012. 20% of the saleable area in the layout plan has been mortgaged with CDA on 09.01.2019 as per their requirement.
- iv. The penalty of Rs. 7.24 million imposed by CDA have been contested. If payment of the fine is mandatory then PHAF would pay the same to CDA.
- v. The remaining work of infrastructure including tube-wells of the project will be tendered out by the end of February, 2019.
- vi. In the light of the directions of Public Accounts Committee, Honourable Wafaqi Mohtasib and frequent requests of the allottees, CDA has time and again been requested for provision of alternate route to the project since the current road is not capable of bearing the load of traffic once the project is operational.
- vii. A summary to Prime Minister for allotment of additional land for provision of access route to the project will be forwarded immediately after the BoD decision in this regard.

2. In compliance with the decision of 31st BoD Meeting, M/o Housing and Works issued a notification for the constitution of committee to resolve the pending issues of PHAF/FGEHF including the Kurri Road Project. The TORs of the committee were as follows:

- To identify issues being faced by the retired /senior Government officers with regard to allotment/possession of plots in different schemes being initiated/supervised by the Federal Government.
- To suggest way forward for addressing the identified issues.
- To give input on the delayed payment charges being paid by the senior retired Government officers without any fault on their part and
- To suggest remedial measures with regard to streamlining the process of allotment/possession of plots in government schemes in time.

3. The committee in its initial meeting held on 19-12-2018, discussed the matter of additional cost and delayed payment charges in Kurri Residencia Project of PHA-F. After

detailed discussion following recommendations were made to be placed before the BoD for a decision:

- Delayed Payment Charges (DPC) shall be charged at the rate of 2% since the commencement of the actual work on the packages of the project.
- Since there is divided opinion of the committee as to whether the DPC may be added to the revenue of the project or it may remain as the income of PHAF, therefore, the matter may be placed before the BoD for decision.

4. In order to examine calculation of the amount of additional cost per unit, a sub-committee of the committee was constituted to check the costing in detail. The sub-committee convened series of meeting to deliberate over the issues in detail. The representative from PHA-F extended all possible cooperation in all respects.

5. In continuation of previous meetings, another meeting of the committee was held on 16.01.2019 in the committee room of M/o Housing and Works. Mr. Amanat Rasool, a member of the committee gave presentation on different issues including additional cost, DPC, admin & contingency charges, construction of school and Mosques etc. in Kurri Residencia project. The representatives of the PHA-F gave their point of view keeping in view the interest of the organization on all matters. Accordingly, minutes of the meeting were drafted and forwarded to all members for approval. The members of the committee shared minutes of the meeting signed by all the members except Mr. Zia-Uddin Qasi, CF&AO, M/o H & W and Mr. Shiraz Manzoor, DG (IR&C), Auditor General of Pakistan. The recommendations of the committee are reproduced as under:

- a. PHAF would invite Mr. Taimoor Azmat Osman, the Chairman of the committee and Mr. Asif Bajwa to the meeting of BOD PHAF for this agenda item.
- b. PHAF after approval of BoD, would write a letter to Auditor General of Pakistan, regarding the inclusion of the interest earned on the installments of allottees, Delayed Payment Charges (DPC) received, transfer fee collected on transfer of units and expected Delayed Payment Charges (DPC) after rescheduling the installment plan, classified as "other income" in the POR project account or otherwise.
- c. PHAF would calculate the additional cost of each house based on response to be received from Auditor General of Pakistan.
- d. PHAF would not construct apartments over Community Center.
- e. Construction of the School will be postponed and later on it will be decided to be constructed on B.O.T. basis or otherwise.
- f. PHAF will construct one Jamia Mosque and one small mosque on the Northern side.
- g. Construction work of the Kurri Road Project including completion of grey structure of houses and infrastructure should not be halted. The chairman further added that out of Rs. 640 million, PHAF has already received Rs. 440 million as interest earned, DPC, transfer fee etc. (and Rs. 200 million are likely to be received), therefore, the same should be utilized for completion of the project until the opinion of Auditor General of Pakistan is received.

PHAF's Stance: PHAF is a non-profit organization (NPO) which generates its revenues through the installments of the allottees against their booked apartments as government does not provide any funds for execution of the projects. Being an NPO, all the

administrative cost/operational expenses of PHAF are met from "other income" comprising of delayed payment charges (DPC), possession charges, documentation charges, interest on the deposited amount etc. The annual administrative expenditure of PHAF is around 260 million which increases @15% every year.

Delayed Payment Charges (DPC): DPC is a surcharge levied on those allottees who don't follow their payment schedule. It is a tool to ensure timely payments from the allottees. If the allottees do not pay their installments in time, then PHA-F is not in a position to pay to contractors which ultimately delays projects. On the other side a policy of rebate of 05% on full payment of apartment price and 2.5% on payment of half price of apartment is also in vogue. Similarly no DPC is charged from the allottees who deposit their payments as per given payment schedule, therefore, waiver of DPC to the defaulters would be discrimination with those who have deposited their payments without delay. The allottees of Kurri Residencia had already been facilitated since the inception of the project including;

- In the 8th BoD meeting held on 20-02-2013, BoD deferred (2) installments.
- In the 9th BoD meeting held on 22-08-2013, BoD extended the waiver for further three months.
- In the 12th BoD meeting held on 26-12-2013, installment schedule was extended from 8 quarterly installments to 12 quarterly installments.
- Installments were further deferred for two years during the time of suspension of work i.e. November 2012 to October 2014.
- In the 15th BoD meeting held on 28-04-2015, waiver of delayed payment charges was allowed to the allottees of the said project from the date of suspension of work i.e. November, 2012 till resumption of work i.e. October, 2014 that caused a loss of 1041.73 million to PHAF.
- In 20th BoD meeting, payment schedule was revised and number of installments were increased from 12 installments to 16 installments in order to link up payments with progress of work at site.

Admin cost: PHAF charges an administrative cost in each project in order to carry out the day to day administrative/operational expenses including all non-developmental activities.

Interest on the installments: PHA-F, being a Non-Profit Organization does not earn profit out of its projects. The installments of the allottees are kept safe in such banks whose credibility line is remarkably sound. All the financial institutions pay interest at different rates.

6. As earlier stated above, there are some sources of income of PHAF with the help of which the entire administrative expenses of PHAF are met. The annual admin/operational cost of PHA-F is around Rs. 260 million. It increases @15% every year. Segment of other income has been disclosed in the financial statement of PHAF right from the very outset which were financially audited by Chartered Accountant firms and approved by the BoD.

Committee's stance: Some members of the committee were of the view that PHAF should receive either admin cost of a project or interest on the installments on the deposited amount.



The matter was placed before the BoD for consideration.

Discussion over the agenda:

A. DPC

Calculation of DPC based upon the decision of the committee @ 2% from the date of commencement of actual work at site was calculated and presented before BoD. It was apprised that waiving of DPC would be injustice with those who have adhered to the payment schedule. The proposed rescheduling of payment plan would favour the allottees with around 470 Million waiver of DPC. Thus very minor amount would be charged to the defaulters. Chairman BoD directed that the DPC may be calculated @ 1% as well to ascertain its implications on allottees and PHAF.

B. Additional Cost

The matter regarding additional cost was explained in detail that in compliance with the decision of BoD, a committee was constituted to resolve the pending issues of PHAF including additional cost of the Kurri Residencia Project and to examine the same in detail, a sub-committee of the committee was constituted to check the costing in detail. The sub-committee convened series of meetings to deliberate over the issues in detail. The representative from PHA-F extended all possible cooperation in all respects and accordingly the committee agreed on the additional cost of Rs. 963 Million, and it was highlighted that the additional cost was due to three factors as per following:

S. No	Description	Additional Cost (Million)
1	Due to Increase in Covered Area	150
2	Due to Increase in Utilities and Land Charges	383
3	Balance Additional Cost	430
Total		963

The effect of each of the three component on Cat-I, II & III houses would be as per following:

S.No	Category	Original Per House/ Unit Price	Additional Cost due to Increase in Covered Area	Additional Cost Per House/Unit	Additional Cost Per House/Unit	Total Additional Cost
1	(50*90) - I	10,294,692	711,450	1,013,270	1,137,614	2,862,334
2	(40*80) - II	8,262,848	297,947	772,506	867,304	1,937,757
3	(30*60) - III	4,720,972	45,264	433,247	486,413	964,924

It was further shared with the meeting that the additional cost could be offset partially or wholly through the following measures.

- I. Additional cost could be partially offset by exclusion of community centre having cost of 150 million and construction of only one Jamia Masjid. Its effect on Cat-I,II&III houses would be as follows;

S.No	Category	Original Per House/ Unit Price	Additional Cost due to Increase in Covered Area	Additional Cost Per House/Unit	Additional Cost Per House/Unit	Total Additional Cost
1	(50*90) - I	10,294,692	711,450	1,013,270	714,316	2,439,036
2	(40*80) - II	8,262,848	297,947	772,506	544,586	1,615,039
3	(30*60) - III	4,720,972	45,264	433,247	305,422	783,933

- II. Almost all the additional cost could be offset through construction of the proposed high-rise apartments. BoD was further informed that the project was halted by the direction of sub-committee of PAC issued to PHAF and CDA duly endorsed by Wafaqi Mohtasib for adhering to the original layout plan of the project. The stance of PHAF was substantiated with the argument that PHAF was fully adhering to CDA bye-laws, therefore, the proposed high-rise apartments were in line with CDA by-laws. Chairman BOD directed that the matter should be taken with concerned Sub-Committee of PAC. He would plead the case of PHAF before the sub-committee.

DECISION:

Federal Minister for Housing and Works/Chairman Board of Directors, Pakistan Housing Authority Foundation (PHAF) has directed to put up this agenda item as separate issue with detail documents, for the approval of Minister and same may be placed for ex-post approval of the next Board of Directors (BOD) meeting.

B. ARRANGEMENT OF FUNDS ON SHORT TERM BASIS FOR PHA-F OFFICER RESIDENCIA (KURRI ROAD PROJECT KRP) FOR CLEARING PENDING AND ANTICIPATED CLAIMS OF CONTRACTORS AND CONSULTANTS

Engineering Wing of PHA-F requested for arrangement of funds for Kurri Road Project on short term loan basis from any other project where available funds are more than its approved budget. It was understood that in case of non-payment, progress of the project will badly suffer as the said project is in the final stage of completion.

2. In order to consider request of the Engineering Wing, a meeting of F&A Committee was convened on 30th January 2019, in line with the mechanism devised in the 25th BoD

meeting. In the meeting Director Finance shared the current financial position of three major ongoing projects as mentioned below:-

Sr No.	Project Name	Budget Allocation for 2018-19	Utilization till 30-01-2019	Balance budget amount	Available bank balance on 30-01-2019
1	I-16/3	1,907,176,031/-	675,538,128/-	1,231,637,903/-	411,590,000/-
2	I-12	1,773,341,781/-	848,757,260/-	924,584,521/-	1,039,004,000/-
3	Kurri Road Project	2,198,288,281/-	746,530,000/-	1,451,758,281/-	11,932,000/-

3 Deputy Director (Finance-II) shared with the committee that previously through bridge finance mechanism, funds were injected in G-10 & I-16 projects on short term basis with the approval of the BoD.

4. Director Estate briefed the committee that as per schedule of payments, an amount of Rs. 247.90 Million is outstanding towards the allottees of Kurri Road Project, which is being recovered from the allottees. The Committee advised that in case of any additional cost, the matter may be brought in the notice of Board of Directors for their consideration and approval. Decision of the BoD may be communicated to allottees within due time to avoid any financial complexities.

5. After detailed deliberation, the committee proposed that the request of Engineering Wing for arrangement of funds through transfer of an amount of Rs. 240.00 Million from I-12 project bank account i.e. Standard Chartered Bank A/C #. 08-4790006-03 to Kurri Road Project bank A/C # 08-4790006-01 with Standard Chartered Bank on short term loan basis subject to recoupment within three months in line with 25th BoD decision, may be placed before the BoD for their consideration alongwith following suggestions:-

- i. Balance amount of short term loan already given to I-16 project i.e. Rs.50 million may be recouped to I-12 project immediately before transfer of proposed funds to Kurri Road Project.
- ii. Estate Wing must ensure to recover outstanding dues i.e. Rs.247 million immediately from the KRP allottees and also ensure that all dues be recovered from allottees, before handing over possession of units as per policy.
- iii. Engineering wing may ensure that the projects are executed and completed expeditiously well in time.

The matter was placed before the BoD for consideration.

DECISION:

Federal Minister for Housing and Works/Chairman Board of Directors, Pakistan Housing Authority Foundation (PHAF) has directed to put up this agenda item as separate issue with detail documents, for the approval of Minister and same may be placed for ex-post approval of the next Board of Directors (BOD) meeting.



RESTORATION OF ALLOTMENT OF APARTMENT NO TF 07 (D-TYPE) BLOCK 61, I-11, ISLAMABAD.

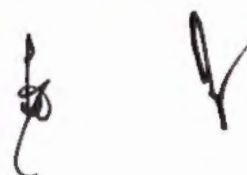
It was stated that in 2012 around 93 apartments were allotted to the employees of PHA-F and M/o Housing & Works in G-10/2, G-11/3 and I-11/1 project of PHA-F. Mr. Muhammad Shahid Hussain was allotted D type apartment in I-11/1 and he deposited down payment as per rules and policy but in 2013 the subject apartment was canceled on the directions of NAB along with other 23 apartments.

2. It was informed that NAB Rawalpindi initiated an inquiry to probe into the matter of these allotments in 2013 and issued directions to cancel the allotments where allotments were made to the officers/officials whose length of service was less than 1 year at the time of allotment with further directions to auction the cancelled apartments in future. The PHA-F forwarded a letter to 24 allottees including Mr. Shahid Hussain to take refund of their deposited amount. Most of the allottees out of these 24 had sold their apartments before the cancellation and some had filed court cases and took court stay orders against the cancellation and their cases had now been decided in their favor and their allotment have been regularized.

3. As far as the instant case was concerned, this was the only allottee who took the refund of his deposited amount and PHA-F refunded his amount after deduction of 10% of the deposited amount as a cancellation fee and his apartment was added in auction process (as recommended by NAB) and placed for auction in 2017. However, it could not be auctioned due to low bid price and was lying vacant till to date.

4. It was further stated that the court cases (High Court and Supreme Court) filed by different allottees whose allotments were cancelled on the directions of NAB had been decided against the PHA-F. The decision of the IHC reads as "**according to the record, the allotments were made under the prevalent policy ratified by 7th BoD meeting, therefore, the allotments cannot be said to have been made illegally. Since allotments were acted upon through payment of necessary dues and petitioners had also got possession of allotted apartment, subsequently cancelation is clearly hit by the principle of locus poenitentiae**" the decision of the single bench was challenged before the double bench the decision read as "**in view of above position, the appellant has no grievance against the impugned judgment inasmuch the inquiry, in which, recommendation was made for cancellation of allotment, stands closed**" PHA-F filed CPLA against the judgment of High Court in the Supreme Court which was dismissed and the decision read as "**having considered the arguments and the contents of the impugned judgment, we do not find any legal or factual error warranting interference by this court. Dismissed accordingly.**"

5. As far as the restoration policy of PHA-F was concerned, allotment of only those apartments were restored where apartment was cancelled due to non-deposit of three consecutive installments and apartment was not allotted or auctioned to anybody else subject to clearance of restoration charges. In the case of instant apartment, the cancellation was made on the directions of NAB and allottee took the refund of his deposited amount on the directions of PHA-F. Furthermore, the benefit of court decisions could not be extended to the said apartment because the allottee took the refund and had forgone his right. On the other side, keeping in view the fact that the court had



declared the cancellation as void ab-initio, so all cancelations made in this regard automatically had become illegal and right of the allottee was once again established.

6. The following proposal was placed before the BoD for resolution:

The request of the applicant for the restoration of apartment may be allowed as the court had declared all allotments legal and that the same was still lying vacant with PHAF. Since the apartment was complete in all respects so allottee might be allowed to take the possession of apartment after depositing full amount of the apartment in two equal installments, clearance of all outstanding dues and applicable taxes.

The matter was placed before the BoD for consideration.

DECISION:

The matter was not acceded to by the BoD.

TABLE AGENDA NO. 02

AUCTION OF DEFERRED APARTMENTS IN PHAF PROJECTS

PHA launched housing schemes at G-11/3 and I-11 additional blocks, Islamabad and UET, Wafaqi Colony and Shabbir town, Lahore for General Public and Federal Government Employees in 2008 to 2011. A number of apartments in the above-mentioned projects were cancelled due to non-payment of installments from allottees and/or on the directions of NAB.

2. In the meeting of NAB authorities with Secretary Housing & Works held on April 9, 2013 in the Ministry of Housing & Works regarding cancellation of the apartments allotted to the officers/official of PHA Foundation and Ministry of Housing & Works, it was decided that "the flats of general public quota which had been cancelled / vacant must be allotted to general public through open auction".

3. An Auction Committee was constituted by the Board of Directors of PHAF in the 20th BOD meeting held on 03.11.2015. The Auction Committee was composed of the following members:

i.	Chief Engineer (Planning), Pak-PWD	Chairman
ii.	Chief Engineer, PHAF	Member
iii.	Director (Land & Estate), PHAF	Member
iv.	Dy. Secretary (Estate), M/o H&W	Member

4. The Auction Committee finalized the terms and conditions along with brochure and also fixed the base price through third party evaluation through NESPAK. M/s NESPAK submitted the evaluation of base price for each apartment to fix a reserve / base price for auction of apartments.

5. The Auction of apartments at Islamabad was held on **05.03.2017** at Islamabad and on **12.03.2017** at Lahore. The result of both auctions was as follows:

Sr. no	Location	No. of auctionable apartments	No. of apartments auctioned	No. of apartments deferred	Revenue received
1.	Islamabad	30	09	21	Rs.30,070,000/-
2.	Lahore	13	06	07	Rs.16,060,000/-
Total		43	15	28	Rs. 46,130,000/-

6. In the 25th BOD meeting of PHAF held on 11.04.2017, it was decided to re-auction the remaining apartments. It was decided to re-auction the deferred apartments first in Islamabad only. The Engineering Wing was requested to renovate the said apartments before auction. The Engineering Wing vide their letter dated 13.03.2018 informed that all auctionable apartments were renovated and were ready for possession. It was informed that all the auctionable apartments were free of all encumbrances.

7. BoD was informed that PHA-F was trying to hold the Auction Committee meeting since October, 2018 but every time the meeting was cancelled at eleventh hour due to non-availability of Chief Engineer (Planning), Pak-PWD. This had caused huge delay in finalizing the venue and date of auction of said apartments. In order to resolve the issue at the earliest, the matter for the re-composition of Auction Committee was placed before the BoD in its 30th meeting. The decision of the BoD reads as ***"the BoD discussed the matter in detail and decided that the composition of the Auction Committee need not be changed and it was decided that honorable Secretary Housing & Woks shall ensure availability of the Chief Engineer (planning), Pak PWD during the proceedings of the PHAF Auction Committee"***

8. Meeting of the auction committee took place under the chairmanship of Chief Engineer (Planning) PAK PWD on 29-01-2019 and gave following proposals:

- a. "The prices of the apartments may be increased @ 10%, per annum since a considerable time has passed since the last evaluation by M/S NESPAK. Due to general escalation the evaluation two years back cannot be valid now".
- b. "Representative of Chief Engineer (PHA-F) informed that per annum increase for such type of apartment is 14%. This aspect also needs to be looked into by the Board of Directors".
- c. "Director (Finance) PHA-Foundation may be included as a member of the auction committee to ensure the transparency".

The matter was placed before the BoD for consideration.

DECISION:

The BoD decided that base price of the apartments meant for auction be re-evaluated through evaluators and placed before next BOD meeting.

The meeting ended with a vote of thanks to and from the chair.

32ND BOD MEETING / 7TH AGM OF PHA FOUNDATION

FEBRUARY 27, 2019

ATTENDANCE SHEET

S. No.	Name	Designation	Signature
1	Mr. Tariq Bashir Cheema, Federal Minister for Housing & Works/ Chairman, PHA Foundation, Islamabad	Chairman	
2	Dr. Imran Zeb, Secretary, M/o Housing & Works, Islamabad	Dy. Chairman	
3	Mr. Muhammad Yaseen Shar Baloch, Joint Secretary (Admin), M/o Housing & Works, Islamabad	Member	
4	Mr. Muhammad Shahzad, Joint Engineering Advisor, M/o Housing & Works, Islamabad	Member	—
5	Mr. Zahoor Ahmad, Financial Advisor (Works)/ Joint Secretary, Finance Division, Islamabad	Member	
6	Hafiz Dr. Ahmad Bakhsh, Member Engineering, CDA, Islamabad	Member	
7	Mr. Muhammad Adnan Rashid, Deputy Secretary (Admin), M/o Housing & Works, Islamabad	Member	
8	Mr. Waseem Hayat Bajwa, Director General, FGEHF, Islamabad	Member	
9	Mr. Tariq Rashid, Chief Executive Officer, PHA Foundation, Islamabad	Member	
10	Mr. Shahid Farzand, Director General, Pak. PWD, Islamabad	Member	
