

MINUTES OF THE 33RD MEETING

FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION
SHARHEH-E-KHAYAT SECRETARIAT

No.4(1)/92-HF(C)

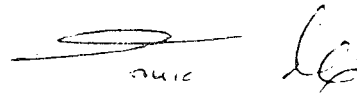
Islamabad the 17th September, 1992.

Subject:- MINUTES OF THE 33RD MEETING OF THE EXECUTIVE COMMITTEE.

The 33rd meeting of the Executive Committee of the Board of Governors of the Housing Scheme for the Federal Government Employees on Ownership Basis, was held on Monday, the 31st August, 1992, in the Committee Room of the Works Division under the chairmanship of the Secretary, Ministry of Housing & Works.

2. Minutes of the above mentioned meeting are forwarded herewith for information and necessary action by all concerned.

3. Progress reports on the action taken may kindly be sent to this office as soon as possible.



(MIAN AHMAD DIN)
Assistant Director (Coord)

- (1) P.S. to Secretary,
Ministry of Housing & Works,
Islamabad.
- (2) Mr. Mohammad Hukhtar Ahmad,
Joint Secretary (Works),
Ministry of Housing & Works,
Islamabad.
- (3) Mr. M.I. Rappat,
Director General,
Pakistan Public Works Department,
Islamabad.
- (4) Mr. Mukhtar Ahmad,
Financial Adviser (Works),
Islamabad.
- (5) Mr. Muhammad Ahsan,
Joint Secretary,
Cabinet Division,
Islamabad.
- (6) Mr. Mohammad Abbas,
Deputy Secretary,
Works Division,
Islamabad.

*Pl retain a copy for
the concerned file and
return the minutes to me.*

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- (7) Mr. Sarshar Ali Malik,
OSD(P&EC),
Works Division,
Islamabad.
- (8) Dr. Mohammad Rasool Khan,
Director General,
Housing Foundation.
- (9) Mr. Manzoor Hussain,
Additional Secretary,
Establishment Division, Co-opted Member - Cat-I allottees.
- (10) Mr. Gulzar Ahmad,
Deputy Secretary,
Ministry of Interior, Co-opted Member - Cat-II allottees.
- (11) Mr. Mohammad Siddiq Kiani,
Section Officer,
Ministry of Religious Affairs,
Co-opted Member - Cat-III allottees.
- (12) Malik Mohammad Nawaz,
Section Officer,
Ministry of Foreign Affairs,
Co-opted Member - Cat-IV allottees.
- (13) Mr. Taseer Husain Kardar,
Officer on Special Duty,
Ministry of Food and Agriculture,
Co-opted Member - Cat-V allottees.
- (14) Mr. Mohammad Sharif,
Daftry,
Finance Division, Co-opted Member - Cat-VI allottees.

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Date: _____

SUBJECT: MINUTES OF THE 33RD MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS.

The 33rd meeting of the Executive Committee of the Board of Governors of the Housing Scheme on Ownership Basis, was held on Monday, the 31st August, 1992 at 14.30 Hours in the Committee Room of the Works Division, Islamabad under the chairmanship of the Secretary, Ministry of Housing and Works.

1. The meeting commenced with the recitation from the Holy Quran by Dr. Mohammad Rasool Khan, Director General, Housing Foundation.

2. The list of the participants of the meeting is enclosed as Annexure.

3. The items of the Agenda circulated earlier vide Housing Foundation letters No.4(1)/92-HW (G) dated 22nd August, 1992 and even No. of 25th August, 1992 were then discussed one by one in the light of the Working Papers.

Item-1 Confirmation of the Minutes of the last meeting.

2. The minutes of the 32nd meeting of the Executive Committee held on 4th February, 1992 were confirmed. However, Mr. Mukhtar Ahmad, F.A. (Works) pointed out that in the last meeting, Mr. Mansoor Hussain made a mention about the co-opted members and that a legal advice was to be obtained from Justice Division to determine their status. Director General, Housing Foundation stated that this point has already been included in the agenda as additional item. An amended working paper had been circulated to all concerned. In this regard, both the legal adviser (of the Housing Foundation) and Registrar of Companies, the Memorandum and Articles of Association and the re-appraisal,

scrutiny and alterations and amendments where necessary in order to cater for the needs of the Foundation and to bring them in conformity with the Companies Ordinance. Consequently, the matter was further discussed in details by the Legal Advisor with the Secretary, Ministry of Housing and Works on 3rd August, 1992 in which it was decided that the Legal Advisor should suggest necessary amendments/alterations in the two documents to bring them in line with the relevant laws and make them viable documents. The meeting was told that the Legal Advisor had already been requested to do the needful as soon as possible.

6. The point was then discussed in further details in which Joint Secretary, Cabinet Division and FA (Works) took part. Finally it was decided that the changes/amendments prepared by the Legal Advisor should first be got vetted/cleared from the Corporate Law Authority (CLA) and then, if necessary, referred to Justice Division for advice. These discussions/decision also disposed off agenda Item-xii.

7. It was also decided that, in future, a progress report on the actions taken on the decisions of the previous meeting should be added to the agenda for the next meeting.

Item-ii - Accounts and Audit Report for the period ended 30th June, 1991

8. The audit objections/observations on the accounts of the Foundation were discussed in details. Director (Finance/Admin), Housing Foundation gave a resume of the accounting system of the Foundation. He stated that the observations made by Auditors in the earlier report that detailed information about the amounts received regarding allotment of houses etc. were not made available to them had been met and the requisite details were provided to them. The Auditors were thus able to verify, reconcile and relate amounts due from allottees, subscriptions made by them and the advances and applicants entry but for a difference of

Rs.2.2 (M) which on further efforts on reconciliation narrowed down to Rs.1.185 (M) as mentioned in the Audit Report. D.G. Pak PWD suggested that a deadline to reconcile the difference and clear the audit observations be given. FA (Works) and J.S., Cabinet Division opined that the difference stated above should be reconciled and audit objections got cleared from Audit before the Accounts/Audit Report were brought before the Annual General Meeting (AGM). Finally, the Housing Foundation was asked to reconcile the difference of Rs.1.185 (M) by 20th September, 1992.

9. The Committee then took up discussions on comments submitted by the Housing Foundation on the Audit Report. With regard to paras 2.1, the meeting reiterated their earlier discussions on Item-xii and advised that the audit observations as well as reference regarding ordinary membership of the Housing Foundation should first be sent to Corporate Law Authority (CLA) and if the Audit was not satisfied with the ruling of CLA then to Justice Division so that this point may be cleared once for all.

10. On para 2.6 which deals with the observation on short-fall of CDA plots due to affectees problems, Mr. Sanshar Ali Malik, OSD (P&EC), Works Division, explained the position with regard to the last meeting held with the CIA in this respect. It was disclosed that even though assurance were given by CDA in the past the issue remained unresolved, though the Member (Planning) CDA promised to do something to solve the affectees problems within a period of two months. The Chairman observed that this matter is hanging fire for quite a long time and may now be resolved positively within this month (September, 1992), otherwise, some written reply/commitment should be obtained from the CDA.

The meeting also discussed para 2.7 of the comments on Report, with regard to notice given by the Income Tax Department under Section-8 which was applicable to turnover of firms. D.G. Housing Foundation stated that the returns on

deposits of allottees' money was in effect a set off against reduction of value of allottees' money due to inflation and not a profit. However, it appeared that the Income Tax Department would impose income tax not only on returns on deposits by Foundation but on the deposit itself which were the amounts received from allottees as trust money for utilization on construction of houses for them. It was to be appreciated that no generation of funds was involved and, as such, the levy of tax by Income Tax Department was not fair. On an enquiry by DG, Pak FWD as to what was the position with regard to other Foundations like Fauji Foundation, Police Foundation and Overseas Pakistanies Foundation (OPF), Director (Finance), Housing Foundation apprised the meeting that unless the Income Tax Department included the name of Foundation in the Schedule of Exemptions, they would not relieve the Housing Foundation from payment of the Income tax. At that stage, the Chairman observed that he had also discussed this matter with the Member (Tax), CBR who informed that no Income Tax was leviable on deposits subscribed by the allottees through loans/advances and GP Fund savings etc. The meeting was told that most of other Foundations were regenerating donated/contributed funds by investing the same in trade and commerce whereas the Housing Foundation was not re-investing the allottees' funds for any trade or business. After due deliberations, the meeting decided that a revised reference be made to the C/A/Income Tax Department through Works Division for re-consideration of the case and inclusion of the Housing Foundation in the Schedule of Exemptions.

12. Comments on para 2.9, 2.10 and 2.11 of the Audit Report were considered by the Committee and Mr. Taseer Husain Kardar suggested that a simple internal financial Control System should be adopted and some returns on investments should be diverted to the allottees accounts and adjusted against final payments so as to avoid Income tax. It was explained to him that internal Control spoken of in Auditor's Report was for various operations and not only on financial system. As to the diversion of returns to

Allottees Accounts it could be possible only on the conclusion of project but even if it could be possible earlier it could not have made a difference for the purposes of tax assessment. The meeting asked the Foundation to modify the comments given on para 2.11 in the light of factual position with regard to Karachi, Lahore schemes etc. F.A. (Works) suggested that in case the Auditors do not acquiesce to withdraw their observations which on their face are not relevant, they might be called to a meeting of Executive Committee and their objections be discussed and resolved with them. The meeting decided that the matter be resolved with the Auditors by holding internal meetings besides the written comments already given.

13. It was pointed out that smooth running of construction work depended on regular payments by the allottees. The meeting was told that for Phase-I of the scheme which was near to its completion stage, notices to defaulters had already been issued. However, the houses would be handed over only when all the accounts were cleared by the allottees.

Item-iii - Budget for the year 1992-93.

14. The Budget for the year 1992-93 enclosed with the working paper on Item-iii was perused by the Committee. The meeting was told that the budget estimates were prepared on the presumption of scheduled completion of work of Phase-I Extension as provided for in the scheme. However, if the scope of work was reduced and Phase-I Extension was excluded from Foundation's purview, then the budget estimates might require a revision. The meeting after due deliberations desired to take up both the Revised Estimates (RE) for 1991-92 and Budget Estimates (BE) for 1992-93 before the Sub-Committee headed by Mr. Manzoor Hussain, Additional Secretary, which was constituted by the Executive Committee in its 31st meeting. After clearance by the Sub-Committee, the Budget could be presented before the Executive Committee for approval.

Item-iv - Progress of the Scheme in Islamabad.

15. The O.G. Housing Foundation gave an overall progress of work of Phase-I of the scheme and told that they were striving hard to complete the work by the end of this year. However, the matters with regard to provision of facilities like roads, electricity, sui-gas and water connections etc. were not within the control of the Housing Foundation as different agencies were involved in it. As such, even very early completion of houses would not be fruitful unless these facilities were provided. The Secretary (H&W) directed that in pursuance to the decision of the Senate's Standing Committee on Works, a meeting of the senior officers of CDA, WAPDA, Sui-Northern Gas Pipelines and I&T Department might be arranged with the Chairman of the Standing Committee possibly in the 2nd week of September, 1992. The Secretary (H&W)/Chairman of the Executive Committee also asked the D.G. Pak PWD to render every possible help to provide these facilities.

Item-v - Holding of Meeting of the Board of Governors.

16. With reference to this item, the Secretary (H&W) informed that the meeting of the Board of Governors would be held as soon as all the members were available and the convenient date/time was given by the Minister of State for Housing and Works.

Item-vi - Deferment of payment of Instalments on account of cost of construction.

17. After deliberations on this item, it was decided by the Committee to observe the previous decision on this issue and maintain status-quo for the time being.

Item-vii - Entitlement of the employees of Council of Islamic Ideology and Pakistan Atomic Energy Commission to participate in the Scheme.

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Item-vii- Entitlement of the Employees of Council of Islamic Ideology and Pakistan Atomic Energy Commission to participate in the Scheme.

JS, Cabinet Division and PA (works) suggested that the Council of Islamic Ideology may be asked to prove through the

Establishment Division that their employees were Federal Government employees. However, the meeting was told that as already explained in the working paper, the matter was examined thoroughly before the closure of the last date for submission of applications and the request of the employees of the Council of Islamic Ideology was acceded to with the approval of the competent authority.

Item-111 - Shortfall of plots in Phase-I and Phase-II.

19. The point regarding shortfall of 950 plots of Phase-I and Phase-II (95 + 855) besides 210 plots of Phase-I involving affectees problem, was discussed in details. Mr. Sarshtar Ali Malik, OSD (PaEC), explained details of the distribution of plots by CDA as per ECNEC decision. He also informed that Category-I plots of 600 sq. yds. were not reportedly available in the sectors earmarked for Phase-II. At this point UG (BF) invited attention of the participants to the assurance given by the Member (Planning) CDA in a meeting held on 28-1-1991 that efforts will be made to find, if possible, some plots of that category in these sectors. It was suggested by J.S.(W) that since CDA are understood to have been developing some plots of 400 sq. yds. which would be lesser in rate per sq. yds. he might explore possibility of getting this size of plots also alongwith the 600 sq. yds.

20. The meeting was informed that the matter was being pursued with the CDA at higher level through the Ministry of Housing and Works. Jt. Secretariat Division was also requested to render support to finance the cause as the allotments were to start as soon as verification and regularization of applications was finalised.

It was also suggested that since the employees of the Government are also entitled for allotment of houses under the Housing Scheme.

21. The meeting did not refer to any of the next meetings.

Item-ii - Review of the Scope of Work of Phase-I
Initiative.

22. The meeting decided that this point may be held in abeyance till receipt of decision on the appeal against the recommendations of the Waqar Mottasat (Ombudsman) and permission of the Government to start work where construction had not yet started.

Item-iii - Housing Scheme for Federal Government Employees on Ownership Basis in Islamabad (Phase-II) - Request from BPS-19 officers for Inflationation of Category-II Houses.

23. The meeting considered the request made by BPS-19 officers and decided that inflationation of houses for Grade-17, 18 and 19 officers could not be considered in the running schemes on the face of fundamental criticism of the scheme i.e. seniority on the basis of proximity to retirement. It might be possible to do it in any new scheme.

Item-iv - Ordinary Membership of the Housing Foundation and Status of Co-opted Members.

24. This item was discussed alongwith Item-i and ii of the agenda.

NEW POINT

25. Mr. Tahir Masud Khandan, treated member for Category-V with the verbal consent of the meeting brought out a point for consideration of directors of H&FC. He stated that the allottees have paid payments to Housing Foundation inter-alia by getting loan from the H&FC. He stated for method of loan to H&FC, he said that they were getting 12 months of grace period. On the other hand, the construction work had not yet commenced on which they were bound to pay the interest. The allottees were bound to suffer hardships for payment of interest due to no fault of theirs so they would not be receiving any simultaneous

benefit from their houses. He, therefore, requested for intervention of the Housing Foundation to ask the HBFC to extend the grace period to 24 months instead of existing 12 months and also reduce the rate of interest as had been done by the Government in case of some other organizations and the Prime Minister's self employment scheme. The meeting asked Mr. Kardar to provide precedent for making a reference to the HBFC.

(Imtiaz Ahmad Khan)
Director (Finance/Admn)
September, 1992.

Annexure to the Minutes of the
33rd Meeting of Executive
Committee.

FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION
SHAHEED-E-MILLAT SECRETARIAT

List of Participants of the 33rd Meeting of the
Executive Committee of the Board of Governors
held on 31st August, 1992.

- (1) Mr. G.A. Jahangir,
Secretary,
Ministry of Housing & Works. - In the Chair
- (2) Mr. Mohammad Ittikhar Ahmad
Joint Secretary (Works),
Ministry of Housing & Works. - Member
- (3) Mr. M.I. Rajput,
Director General,
Pakistan Public Works Department, - Member
- (4) Mr. Mukhtar Ahmad,
Financial Adviser (Works). - Member
- (5) Mr. Muhammad Aslam,
Joint Secretary,
Cabinet Division. - Member
- (6) Mr. Mohammad Abbas,
Deputy Secretary,
Works Division. - Member
- (7) Mr. Sarshar Ali Malik,
OSD (P&EC),
Works Division, Member
- Mr. Mohammad Rasool Khan,
Director General,
Housing Foundation. - Secretary

- (9) Mr. Gulzar Ahmad,
Deputy Secretary,
Ministry of Interior. - Co-opted Member, Category-II
- (10) Mr. Mohammad Shuja Khan,
Section Officer,
Ministry of Religious Affairs. - Co-opted Member, Category-III
- (11) Mr. Mohammad Akbar,
Section Officer,
Ministry of Foreign Affairs. - Co-opted Member, Category-IV
- (12) Mr. Taseer Husain Kordan,
Officer on Special Duty,
Ministry of Livestock and Agriculture. - Co-opted Member, Category-V
- (13) Mr. Moiz Ahmad Siddiqi,
Director (Estate Management),
Housing Foundation.
- (14) Mr. Qasim Shah Khan,
Director (Technical-II),
Housing Foundation.
- (15) Mr. Imtiaz Ahmad Khan,
Director (Technical-Admin),
Housing Foundation.
- (16) Mr. Amir Ahmad Qazi,
Assistant Director (Clerk),
Housing Foundation.