

MINUTES OF THE 75TH MEETING

FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION
AL-ASGHAR PLAZA (1ST AND 2ND FLOOR) BLUE AREA
ISLAMABAD

SUBJECT:- MINUTES OF THE 75TH MEETING OF THE EXECUTIVE COMMITTEE HELD ON 30.04.2004.

The 75th meeting of the Executive Committee was held on 30.4.2004 at 10.00 AM in the Committee Room of the Ministry of Housing & Works, B-Block, Pak. Secretariat Islamabad. Secretary(H&W) was in chair. List of participants is enclosed.

2. The meeting commenced with the recitation from the Holy Quran. The Chairman welcomed the participants. The Agenda Items were then discussed.

Agenda Item No.1: CONFIRMATION OF THE MINUTES OF THE 74TH MEETING.

3. The minutes of 74th meeting were confirmed.

Agenda Item No.2: IMPLEMENTATION STATUS OF THE DECISIONS TAKEN IN 74TH MEETING.

4. On Agenda Item 3 of the 74th meeting, the Executive Committee took a note of the fact that the tenders for package-1 of G-13 which were to be received and opened on 21.4.2004 had been postponed. The Executive Committee was informed that the CDA intends to award development work to FWO on single tender basis, and that the Housing Foundation has serious objection to the proposition on the grounds that the rates charged by FWO are on high side and the rates at which the CDA intends to award the work are exorbitant. It was also submitted before the Executive Committee that as per directions of the Executive Committee, a consensus PC-I for the Project was prepared jointly by CDA & Housing Foundation which was submitted to the Planning Division

and recommended by CDWP to ECNEC. The Executive Committee accordingly observed that in the light of a consensus document there was no justification for variation in cost beyond PC-I cost. The Executive Committee also observed that decision of the Ministry of Interior for award all CDA works to FWO was applicable to CDA works only and not on the works under Ministry of Housing & Works which is entrusted to CDA as deposit work..

5. The Financial Advisor pointed out that award of work on single tender is permissible only when such specialized purchases or such specialized works are involved where no alternate source is available. For normal development works, award of work on single tender basis was not permissible.

6. The Executive Committee decided that:-

- a) Award of work to FWO on single tender basis was not desirable. The CDA may complete the process for invitation of tenders which were invited from prequalified contractors which were to be opened on 21.4.2004 to arrive at the competitive rates.
- b) FWO could also participate being among the prequalified contractors.
- c) In the light of a consensus PC-I, extraordinary variation from PC-I cost shall not be permissible.

It was decided that a comprehensive reference may be sent to CDA in this regard.

7. It was also decided that the Technical Committee of the Executive Committee may carryout a detailed examination of the package-I to arrive at a reasonable

rates for recommendation of award of development work of sector G-13 and the same may be brought to the Executive Committee in its next meeting.

Agenda Item No.3: ALLOTMENT OF PLOTS UNDER THE QUOTA RESERVED FOR EMPLOYEES OF CONSTITUTIONAL BODIES/PROFESSIONAL.

8. The Executive Committee after a detailed discussion approved the proposal with the modification that the cases of Judges of the Civil Courts of Islamabad should also be referred to the Law and Justice Division.

Agenda Item No.4: INVESTMENT OF SURPLUS FUNDS WITH NATIONAL INVESTMENT TRUST.

9. The Housing Foundation submitted that the money available with it had been kept in the National Bank of Pakistan from the day one, where the rate of return has now declined from 8 to 10% to 2% and is likely to decline further. It pleaded that in view of the declining rate of interest, which may lead to negative zone owing to inflation factor search for new avenues of investment was essential.

10. The alternate proposals suggested were:-

- a) Investment in Real Estate e.g. purchase of plaza and renting out.
- b) Investment in mutual fund like NIT.

Initially it has been suggested that investment in NIT may be permitted where the rate of return was much higher than the Commercial Banks.

11. The matter was debated at length by the Executive Committee. It was observed that for any investment, the major factors which need examination/consideration are:-

- a) Safety of Capital.
- b) Assurance of Rate of Return.
- c) Growth of Capital.
- d) Ease of encashment.

Each factor was discussed at length. It was observed that the safety of capital investment is not guaranteed by the Government in case of NIT though it is owned by the Government. Also the rate of return shall be variable depending upon the fluctuation in the stock market. A point was raised that the Housing Foundation should opt for a safer investment in National Savings Schemes like Defence Certificate etc. It was pointed out that the saving schemes have been restricted to individuals and corporate bodies are no more allowed to make investment in these schemes.

12. A question was raised whether the Housing Foundation has a charter to make such investments. The Executive Committee was informed that under Article VIII(n) of the Memorandum & Article of Association, the Executive Committee has the authority.

13. The Regional Chief of the NIT was summoned to the meeting to answer the queries of the Members of the Executive Committee. He explained that no doubt that safety of capital investment is not guaranteed by the Government but there are certain factors which make the investment in NIT safe and profitable. He enumerated that:-

- a) The NIT was the single largest company which holds shares in 500 out of 725 listed companies at K.S.E.
- b) It has shares in major companies like PSO, NRL, FFCL, PTCL, SNGPL, PACKAGES, GLAXO etc. Any fluctuation in the share

of any one company does not affect the overall picture of NIT and thus not likely to affect the rate of return being offered.

- c) NIT instrument, which is in the form of units are encashable immediately. These are not encashed or sold in the stock market but the NIT purchases it and is risk free.

A list of Autonomous bodies, Corporations and Government agencies who have invested in NIT was also provided.

After a detailed discussion it was decided that the Housing Foundation may invest to the extent of 20% of its own money in the NIT. The funds out of allottees account shall however not be invested. The total amount available with the Foundation is Rs.1297.83 Million as follows:-

Allottees Accounts	=	763.082 Million
Own Income	=	534.756 Million

14. The 20% share of own income work to out Rs. 107.0 Million. It was accordingly approved that the Housing Foundation may invest Rs.100 million with the NIT.

15. The Chairman also directed that in future also the funds of the Foundation should not remain idle and for its portfolio management a consultant may be hired.

Agenda Item No.5: DEVELOPMENT OF SUB-SECTOR G-14/4 THROUGH AGENCY OTHER THAN CDA.

16. The Executive Committee was briefed that the position of development of Sector G-13 and Sub-Sector G-14/4 were reviewed in the joint meeting of the Executive/Steering Committee held on 16th March 2004. It was observed that even after

passage of more than six months, CDA had not been able to induct a consultant for G-14/4 although the Chairman CDA in the Board meeting of Quaid-I-Azam University held on 21.2.2004 had made a firm commitment.

17. During the review meeting held on 16th March, CDA was confronted with the delay in commencement of the development of Sector G-13. CDA had pleaded that since it had carried out spade work for the development of Sector G-13, it may be allowed to undertake the same while for sub-sector G-14, CDA agreed that the Ministry of (H&W) may exercise its option. It was accordingly decided that for G-14/4, legalities may be examined brought to the Executive Committee.

18. The Executive Committee was briefed that there is no bar upon any agency to undertake the development work of a sector especially when the land is acquired by it. Opinion of the Law & Justice Division on the issue was also produced before the Executive Committee.

19. It was accordingly decided that the development of Sub-Sector G-14/4 shall be undertaken by the Foundation through agency other than CDA.

20. The Executive Committee also approved induction of M/s NESPAK as Consultant for the project.

Agenda Item No.6: CASE OF MR. IZHARUL HAQUE REGARDING REVIEW OF TERMS AND CONDITIONS OF PHASE-IV OF THE HOUSING SCHEME.

21. The case was presented before the Executive Committee in the light of the *recommendations of the Honourable Wafaqi Mohtaib that he was allotted a plot of 166 sq.yds by CDA in 1985 which he disposed off, but on account of this allotment he was*

being deprived of his right to allotment of plot in Phase-IV Housing Scheme. He had requested that the terms and conditions of the scheme may be reviewed.

22. The case was examined by the Executive Committee which observed that the terms and conditions of a scheme cannot be altered for a single applicant. It was however decided that after processing of the applications, cases of similar nature should be brought to the Executive Committee for a decision.

23. The meeting concluded with a vote of thanks.

LIST OF PARTICIPANTS

1. Mr. Muhammad Jamil, Secretary,
M/O Housing and Works. In Chair.
2. Mr. Abdul Ghani Sameen,
Senior Joint Secretary(Works),
M/O Housing & Works.
3. Brig. M. Khalid Sohail Cheema,
Director General,
Pak. PWD.
4. Mr. Seerat Asghar,
Joint Secretary(IV),
M/O Interior.
5. Mr. Muhammad Raziq,
Senior Joint Secretary/FA Works
Finance Division.
6. Mr. Sarfraz Ahmed Mirza,
Director General,
Housing Foundation.
7. Mr. M. K. Pasha,
Dy. DG(Planning), CDA.
8. Mr. Asghar Rai,
Director(Structure), CDA.
9. Mr. Shahid Hameed,
Joint Engineering Advisor,
M/O Housing and Works.
10. Mr. Abid Bashir,
Deputy Secretary(Admn),
Ministry of Housing & Works.

Co-Opted Members.

11. Rana Taj Muhammad Khan.

IN ATTENDANCE

12. Mr. Hasnat A Qureshi,
Director(Finance), Housing Foundation.
13. Mr. Amjad Pervaiz Malik,
Deputy Director(Tech)., Housing Foundation.
14. Malik Zafar Abbas,
Law Officer, Housing Foundation.
15. Mr. Shamim Gul Durrani,
Assistant Director(E-II), Housing Foundation.