

Defence Housing Authority Islamabad,
Defence Mall, Defence Avenue, Phase-I
Islamabad- 44000
DHA/211/16/OS/Legal
21 October, 2010

To: Najma Siddiqi
Joint Secretary (PAC & C-II)
National Assembly Secretariat
Islamabad.

Copy to: Transparency International Pakistan ✓
5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase-VII, DHA Karachi

Please link your letter no.
Nil dated 1st Oct 2010.

Overseas Pakistanis Foundation
Shahrah-e-Jamhuriat, P.O Box: 1470
G-5/2, Islamabad

Please link your letters
all dated 09 August 2010.

Secretary, Ministry of Defence, Rawalpindi
Auditor General of Pakistan, Audit House, Constitution Avenue, Islamabad
Managing Director PPRA, Islamabad
Add. Secretary (PAC), N.A Secretariat, Islamabad
PS to Chairman (PAC), Parliament House, Islamabad
Registrar Supreme Court of Pakistan (Complainant Cell) Islamabad

Subject: **COMPLAINT AGAINST OVERSEAS SECTOR DHA ISLAMABAD**

National Assembly Secretariat (PAC Wing) U.O. No. F.1 (1)/2010-JSPAC dated 6th October, 2010 refers.

It is submitted that:-

1. Specified area of DHA Islamabad is divided in various phases for administration and development as follow:-

- a. Phase-I
- b. Phase-I (Extension)
- c. Phase-II
- d. Phase-II (Extension)
- e. Phase-III

Each phase is further divided into various sectors. It is pertinent to mention that overseas sector is located in Phase-II (Extension).

2. Above mentioned sectors were launched at different times. Phase-II (Extension) of DHA Islamabad was pre-launched in the year 2005. Before pre-launching of any scheme, feasibility regarding number of plots and estimated development cost and other engineering works on acquired land are prepared. Thereafter, open allotment certificates are sold in the market for the general public. Holder of allotment certificate was entitled to approach DHA Islamabad for exchange of open allotment certificate into allotment letter. After issuance of allotment letter, the allottee was entitled for issuance of payment schedule for development charges. These open allotment certificates could be verified from DHA Islamabad. For the purpose of safety, holder of allotment certificate could state their particulars on the certificate and could inform the same to DHA Islamabad. Specimen copies of allotment certificates and allotment letters are enclosed as annexure "A" & "B".

3. After seeing the response of general public in the scheme of phase-II (Extension), it was decided that one sector in phase-II (Extension) should be reserved for overseas Pakistanis and price of plot should be fixed equal to prevailing market. A total of 1219 plots were reserved in different villages of Islamabad Territory which were named as overseas sector.

4. Development of overseas sector had to commence after booking of at least 50% plots in the concerned sector. Response of the overseas Pakistanis was very poor due to general real estate slump in the country. Only 263 allotment certificates out of 1219 allotment certificates reserved for overseas section were purchased. Out of 263 allotment certificates, only 56 allotment certificates were converted into allotment letters, while 54 plots were sold by the authorized property dealers. The rest of allotment certificates are still in possession of certificates holders who have not approached DHA Islamabad for conversion of their allotment certificates into allotment letters and there by did not deposit development charges despite advertisements in the daily news papers in this regard.

5. Due to above said reasons, the project of overseas sector lost its feasibility, as development of entire overseas sector was not possible in the existing circumstances. To overcome such like situation, DHA Islamabad reserves right to re-locate any unit of the housing scheme under section 8 (2) (j) of DHA Islamabad Ordinance. Further, it is also mentioned on the front side of the allotment letter that "The Management of Defence Housing Authority Islamabad reserves the right to cancel/alter the location and dimensions until physical possession of the

plot is handed over". Besides, agreements to sell were also executed between DHA Islamabad and buyers. Relevant clauses of the agreement are reproduced for your kind perusal:-

"3. **LAND DESCRIPTION AND MASTER PLAN**

- 3.1 *Whilst the Seller believes that the demarcation and location of the Land as shown edged red in the Master Plan is accurate, such Master Plan is for identification purposes only and no warranty, express or implied, is given by the Seller as to the accuracy of the Master Plan.*
- 3.2 *The Seller shall not be bound by the Master Plan or any other plans as may, from time to time, be prepared by the Seller with regards to the Overseas Sector and the Seller may alter the Master Plan or any other plans as it may, in its sole discretion, deem fit and may extend the Overseas Sector to include any adjoining or non-adjoining land.*
- 3.3 *The Seller reserves the right to make modifications or variations to the boundaries of the Land, as identified in the Master Plan or any other plans.*
- 3.4 *The Parties agree that the Land identification number specified in Schedule 1, the Master Plan or any other plans is temporary and the Seller reserves the right to change the same.*
- 3.5 *The Seller shall, on the Completion Date, in the presence of the Buyer or his duly authorized representative, carry out measurements of the Property. If, after such measurements, the Seller establishes that the total area of the Land exceeds or is less than the size specified in Schedule 1, the Seller shall adjust the price for the variation in the area in accordance with the formula below and the seller shall notify Buyer in writing of such variation. Within ninety (90) days of written notice from the Seller, if the total area of land is greater than the size specified in Schedule 1, the buyer will pay to the Seller the Adjustment Amount, or if, after such measurements, the Seller establishes that the total area of the Land is less than the size specified in Schedule 1, the Seller shall refund to the Buyer the Adjustment Amount.*

$$\text{Adjustment Amount} = (\text{Sale Price} / \text{Area}) \times \text{Measured Area} - \text{Sale Price}$$

After signing the agreement and terms and conditions of allotment letter, filing of complaints on different forums by the allottees/members are not justified. Specimen copy of agreement to sell is enclosed as annexure "C".

6. Honesty and commitment to the members is hall mark of DHA Islamabad. DHA Islamabad is not earning any profit from its members. It may be mentioned that DHAI does not get any financial support whatsoever from any Government agency. DHA Islamabad raises its funds from its member, through schemes and projects planned under its own statute. No scheme or project can be launched which is against the interest or benefit of its members. The profit of the authority in whatever shape is utilized for further development and is not distributed in any way.

7. Keeping in view the interest of overseas Pakistanis, It was decided to re-locate their plots in the developed schemes i.e Phase-I and Phase-II. Presently, price of re-located plot is Rs. 5,000,000/- to 7,000,000/- in the market which are fully developed and ready for possession and construction of houses.

8. DHA Islamabad is a custodian of properties of its members and investors. Although its audit is not done by Auditor General of Pakistan, since no government ex checker is involved, still authority fund is audited under its Ordinance by an audit firm registered with Institute of Chartered Account of Pakistan, which carries audit under (GAAP) Generally Accepted Accounting Principals, acceptable internationally and audit report approved by the Governing Body. Besides, DHA Islamabad is all open to its members and they are replied about their queries regarding development of its schemes and investments.

9. Thanks.


Senior Coordinating Officer
(Muhammad Zahid Aslam)