



15<sup>th</sup> October, 2009

Mr. Raja Muhammad Abbas,  
Managing Director,  
Pakistan Housing Authority,  
Ministry of Housing & Works,  
Shaheed-e-Millat Secretariat,  
Jinnah Avenue, Islamabad

**Sub: Violation of Public Procurement Rules, 2004 in Public Housing Authority**

Dear Sirs

Transparency International Pakistan has sent a letter on 5<sup>th</sup> October 2009, on the allegations of violation of PPRA Rules in process of making a JV with Maymar, for PHA-Maymar Tower, Karachi. Consequently Dy. Director Public Procurement Regulatory Authority vide letter No F.I (108)/DD-II/PPRA/2009 dated 8<sup>th</sup> October 2009 ( copy enclosed ), has also advised you under Section 5(2)(i) of the Public Procurement Regulatory Authority Ordinance, 2002, to send the comments of PHA to PPRA.

In TIP letter dated 5 October 2009, it was also pointed that PHA has to abide the building byelaws of KBCA, and TIP has sought the modalities of how PHA has secured the assurances that PHA-Maymar Tower shall not default on any of the KBCA bye laws.

Unfortunately no response has been received from you.

This has come to TI Pakistan knowledge that PHA Maymar Towers are reported to be violating KBCA Bye laws 5.1.9 & 10

According to the KBCA Bye laws 5.1.9 & 10, PHA Maymar Towers shall confirm the allotment of a unit within 15 days of booking, and shall sign Agreement within 15 days of issuance of allotment letter.

**Confirmation of Allotment**

The allocation of the plot shall be confirmed by the developer through an Allotment Letter to the allottee as specified in Form DNP-2 Annexure-14 within 15 days of booking. The allotment letter shall specify the Plot Number, Sector or Block, general facilities, the total price of the plot and details of other charges. If the allotment letter is not given within 15 days than the developer shall pay mark-up to the allottees at the prevailing bank rate.

**Agreement between Developer and Allottee**

Within 15 days of the issuance of allotment letter and before calling, other installments in respect of the plot, the Developer shall, in pursuance of Clause 5(4) of



the Ordinance, execute an Agreement with the allottees as specified in form DNP-4 in case of the failure of the developer in this effect the developer shall pay the mark-up to the allottee at the prevailing bank rate in addition.

Maymar PHC Project is reported to have received thousands of applications, with unknown advance payments with the application, but has not allotted a single unit yet.

The applicants were supposed to get the allotment letters within 15 days of booking, which has not been done by PHA Maymar Towers.

According to the bye law 5.1.9, it is mandatory on PHA Maymar Towers to pay bank interest to all such applicants who have submitted their applications. But it is not confirmed from the advertisement of DHA that this mark up will be paid by DHA.

**By the alleged violating of the KBCA Building Bye laws, Maymar PHC Project is making undue profits out of booking funds, and depriving the citizens of Pakistan their legal rights. The sample Agreement form was sent for your information which confirms that PHA Maymar Towers JV are responsible for various commitments to be given to allottees, and in case of default of PHA Maymar Towers, heavy penalties are to be borne by PHA Maymar Towers, which means GoP also.**

Kindly send your response on the factual position, to our letter dated 5<sup>th</sup> October 2009 and this letters urgently.

Yours sincerely,



Syed Adil Gilani  
Chairman

Copy forwarded for the information and necessary action under laws of Pakistan,

1. Chairman, Public Accounts Committee, National Assembly, Islamabad.
2. Auditor General of Pakistan, Islamabad, with request to check PHA procurements .
3. Chairman, NAB, Islamabad
4. Managing Director, PPRA, Islamabad.
5. Chairman, CCP, Islamabad.
6. Managing Director, Maymar Housing Services Pvt Ltd, Karachi.

No.F.1(108)/DD-II/PPRA/2009  
GOVERNMENT OF PAKISTAN  
PUBLIC PROCUREMENT REGULATORY AUTHORITY  
(CABINET DIVISION)

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Islamabad, the October 08, 2009.

SUBJECT: VIOLETION OF PUBLIC PROCUREMENT RULES, 2004 IN  
PAKISTAN HOUSING AUTHORITY.

Reference complaint received from M/s Transparency International-Pakistan letter No.nil, dated 5<sup>th</sup> October, 2009 on the subject cited above and find enclosed the copy of the complaint.

2. It is requested that a comprehensive report and comments on the contents of complaint may kindly be sent to PPRA at the earliest. This information is being called by PPRA under the powers vested in this Authority under Section 5(2)(i) of Public Procurement Regulatory Authority Ordinance, 2002.



( Naeem Ahmed )  
Deputy Director-II

Managing Director,  
Pakistan Housing Authority,  
Shaheed-e-Millat Secretariat,  
Islamabad.

C.C: Syed Adil Gilani, Chairman, Transparency International-Pakistan, 5-C,  
2<sup>nd</sup> Floor, Khayaban-e-Ittehad, Phase-VII, Defence Housing Authority,  
Karachi.