**FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY**
**10-MAUVE AREA, G-10/4, ISLAMABAD**
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F. No.15 (7)/2019-HA (DS)/33 Dated: 13th June 2024

Subject: **MINUTES OF 33RD EXECUTIVE BOARD MEETING OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 16TH MAY 2024**

33rd Meeting of the Executive Board (EB) of the Federal Government Employees Housing Authority (FGEHA) was convened under the Chairmanship of Federal Minister for Housing & Works on **Thursday, 16th *May 2024 at 12:00 PM***, in the Committee Room of Ministry of Housing and Works, B-Block, Pak. Secretariat, Islamabad.

2. The minutes of the said meeting are enclosed for information, please.

(AMMARA JABEEN)
Director (Staff)

**DISTRIBUTION:**

1. Mian Riaz Hussain Pirzada, Minister Housing & Works/Chairman Executive Board
2. Dr. Shahzad Khan Bangash, Secretary, M/o Housing & Works, Islamabad
3. Mr. Muhammad Ashfaq Ghumman, Additional Secretary, M/o Housing & Works, Islamabad
4. Mr. Muhammad Israr, Draftsman, Law & Justice Division, Islamabad
5. Ch. Muhammad Anwar Hussain, Senior Chief (Technical/PP&H), Planning Commission, Islamabad
6. Mr. Saad Faazil Abbasi, Senior Joint Secretary (Expenditures), Finance Division, Islamabad
7. Mr. Muhammad Ali Randhawa, Chief Commissioner, ICT, Islamabad.
8. Mr. Muhammad Shahid Hussain, Managing Director, PHA Foundation, Islamabad
9. Mr. Muhammad Ali Randhawa, Chairman CDA, Islamabad.
10. Mr. Muhammad Rasheed, Director General, Pak PWD, Islamabad
11. Capt. (R.) Muhammad Zafar Iqbal, Secretary EB/Director General, FGEHA, Islamabad
12. Col. (R.) Imtiaz-Ul-Haq Khattak, Chief Engineer, FGEHA, Islamabad
13. Mr. Muhammad Ashfaq Ghumman, (Co-opted Member) Senior Joint Secretary, M/o Housing & Works, Islamabad
14. Mr. Muhammad Adnan Dayar, (Co-Opted Member) Joint Secretary (Estate) M/o H&W, Islamabad

**FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY**
**10-MAUVE AREA, G-10/4, ISLAMABAD**

**Subject:** **MINUTES OF 33RD MEETING OF EXECUTIVE BOARD OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 16TH MAY 2024**

33rd Meeting of the Executive Board (EB) of the Federal Government Employees Housing Authority (FGEHA) was convened on 16th May 2024 at 12:00 PM in the Committee Room of Ministry of Housing and Works, 1st Floor, B-Block, Pak, Secretariat, Islamabad under the Chairmanship of Honourable Federal Minister for Housing & Works.

2. Proceedings of the meeting commenced with the recitation from the Holy Quran. At the outset of the meeting, the Chair welcomed the participants. List of participants is enclosed.

3. Agenda items discussed in the meeting and the decisions taken are presented below:

**AGENDA NO. 01**

**Subject:** **CONFIRMATION OF THE MINUTES OF 32ND EXECUTIVE BOARD MEETING OF FGE HOUSING AUTHORITY HELD ON 22ND FEBRUARY 2024**

4. Director General, FGE Housing Authority briefed the members of the Board that minutes of 32nd Executive Board meeting were circulated on 8th March 2024 and no reservation had been received from any member of the Board.

**DECISION:**

5. **The Executive Board confirmed the Minutes of 32nd Executive Board meeting.**

**AGENDA NO. 02**

**Subject:** **PROGRESS ON THE DECISIONS OF 32ND EXECUTIVE BOARD MEETING**

6. The Board was briefed in detail on the progress of the decisions of 32nd Executive Board meeting. Progress report on the said decisions is enclosed (**Annex-I**).

7. The Board expressed its satisfaction over the progress on the decisions of 32nd Executive Board meeting.

**AGENDA NO. 03**

**Subject:** **ENDORSEMENT OF REVISED PC-I OF KASHMIR AVENUE APARTMENTS**

**INTRODUCTION**

8. The Board was informed that the project was launched by Prime Minister of Pakistan on 17th April 2019 to provide housing facility to FG employees on ownership-basis and land measuring 56 Kanal was earmarked for the Construction of Housing Foundation Towers (Kashmir Avenue Apartments) in Mauve Area, Sector G-13/4, Islamabad. Three options were prescribed in the scope of the project included **three (03) residential blocks** with each block having **3B+G+21 floors**. Project catered for construction of **1467 apartments** *(Type A: 714 Nos of 1306 sft; & Type-B: 753 Nos. of 1100 sft)* along with provision of amenities on ground floor whereas 03 basements of each block were reserved for parking.

9. The Board was apprised that the consultancy agreement for Master Planning and detailed construction supervision of the project was signed between FGEHA and M/S Designmen on 29th November 2019. The original PC-I of the project was approved in the DWP held on 24th December 2019 and was endorsed by the 1st Executive Board in its meeting held on 7th February 2020. The Contractor, M/s Kingcrete Builders, was hired through PPRA Rules – Single Stage Two Envelope Procedure (SSTE) in March 2020. Accordingly, the work commenced on 6th May 2020 with a stipulated duration of 03 Years. Detail of cost as per original PC-I is as follows:-

1. Original Costs based on Pak PWD Schedule 2012,
   - a) NIT Amount **Rs. 10.935 B**
   - b) Engineer's Estimate **Rs. 13.521 B**
2. Approved PC-I Cost **Rs. 15.070 B**
3. Contract Agreement Amount **Rs. 12.416 B**

10. The Board was informed that the construction work of the project was stopped in November 2021 due to nation-wide unprecedented price hike & material shortages and contractor's extra-contractual requests of revision of prices & upfront payments. After a series of issues, litigations & arbitration proceedings, the matter was eventually resolved by the 25th Executive Board in its meeting held on 11th April 2023 through constitution of committee for amicable settlement.

11. It was further informed that the committee chaired by Joint Secretary Estate (M/o H&W) presented amicable settlement report along with draft settlement agreement before 27th Executive Board in its meeting held on 20th July 2023. Consequent upon the approval from the Board, settlement agreement was signed between FGEHA and the contractor, M/s Kingcrete Builders on 24th July 2023. Minutes of 27th Executive Board meeting were confirmed by 30th Executive Board in its meeting held on 30th November 2024 thereby effecting the amicable settlement agreement. As a result, the construction contract between FGEHA & the contractor, M/s Kingcrete Builders had come to an end and process for hiring of new contractor was undertaken.

12. The Board was informed that due to unprecedented price hike of construction materials in the country, the revision in the cost of project was inevitable. In this regard, different design options were prepared to mitigate the impact of price hike on price of apartment prices. It was further apprised that 31st Executive Board of FGEHA deliberated on the proposed options and approved the option of ***conversion of amenities area of two blocks (Block I & III) in to commercial area for revision of PC-I according to Pak PWD schedule 2022***. Revenue from saleable commercial area would be used to subsidize the cost of apartment for allottees. Total saleable commercial area as determined by Project Consultants was 52,000 square feet.

**Revision of Project Cost**

13. The Board was informed that Revised PC-1 was prepared in the light of decision of 31st Executive Board. The cost estimate of PC-I was based on Pak PWD schedule of rates 2022, while non-scheduled items were based on prevailing market rates. The Engineer estimate of the Construction of remaining works, based on PWD Schedule rates of 2022 was **Rs. 28.014 B** and the revised PC-1 of the project (incurred & remaining) has been calculated as **Rs. 33.527 B.** Details of revised PC-I and comparison of cost of Apartments for Category A & B as per original and revised PC-I are given on next page:-

## REVISED PC-I

### CAPITAL COST ESTIMATE

| S No | DESCRIPTION OF WORKS | Total Cost (Rs. M) |
|---|---|---|
| | | |
| (A) | **Construction Costs** | |
| (i) | Civil Works | 23,214.11 |
| (ii) | Public Heath Works (Internal) | 572.40 |
| (iii) | Electro Mechanical Works | 6,701.26 |
| | **Total Base Cost** | **30,488.77** |
| (vi) | Contingencies (approved PC-1) | 401.69 |
| (v) | Escalation | 1,590.94 |
| (vi) | Consultancy Charges | 221.77 |
| | **Total Construction Costs – (A)** | **32,702.17** |
| | | |
| (B) | **External Works Cost** | |
| (i) | Total cost of Electricity Feeder (WAPDA/IESCO) | 500.00 |
| (ii) | Total cost of SNGPL | 200.00 |
| (iii) | Alternative Energy Source | 125.00 |
| | **Total External Costs – (B)** | **825.00** |
| (C) | **Grand Total (A+B)** | **33,527.17** |

### EXISTING & REVISED COST OF APARTMENT

| S No | Description | (Type-A) | (Type-B) |
|---|---|---|---|
| 1 | Price of Apartment as per original PC-I (Rs. M) | 10.40 | 9.152 |
| 2 | Price of Apartment as per revised PC-I (Rs. M) | **21.108** | **18.986** |

**Note:** *Project duration for completion of remaining works of the project is 36 months after commencement of works at site.*

**DWP Meeting Discussions:**

**14.** The Board was further informed that DWP meeting for revised PC-I of Kashmir Avenue Apartments was held on 23rd April 2024 in which detailed deliberations had been made on revised PC-I of the project as per option approved by 31st Executive Board of FGEHA. In the light of recommendations of Deputy Chief (PP&H), following details/documents had been incorporated/included in the revised PC-I of the project:-

i. Parking details for commercial blocks.
ii. Implementation schedule of the project.
iii. Contingency head as per manual for Development Projects.
iv. Solid waste management/sewerage disposal mechanism document.

**15.** It was apprised that after detailed deliberations and incorporation of requisite amendments, DWP approved the Revised PC-I of Kashmir Avenue Apartments amounting to **Rs. 33,527,173,580/-.**

**RECOMMENDATION:**

16. Revised PC-1 of Kashmir Avenue Apartments as approved by the DWP in its meeting held on 23rd April 2024 amounting to **Rs. 33,527,173,580/-** along with revised apartment prices as mentioned in **(Para-13)** was placed before the Executive Board for endorsement.

**DISCUSSION:**

17. In response to the queries regarding cost reasonability, it was apprised that the cost of apartment was less than the market rate of apartment projects and an amount of Rs.1400 per SFT had also been provided as subsidy to the allottees through sale of commercial along with land subsidy. Moreover, the Board was further informed that allottees would be given an option of continuing with the scheme on revised cost or withdrawing the refund. The Board while emphasizing upon the timely completion of the project and exercising prudence advised the management of FGEHA to predominantly consider the option of Direct Contracting with SOEs under Rule 42 clause (f) of PPRA Rules 2004. The Board also directed to devise a mechanism to ensure sustainable cash flow of the Project for its smooth execution and timely completion. The Board was apprised that the consultant would be hired for financial viability and sustainability of projects.

**DECISION:**

18. Revised PC-1 amounting to **Rs. 33,527,173,580/-** approved by DWP along with revised apartment prices as mentioned in **(Para-13)** were endorsed by the Board.

**AGENDA ITEM NO. 04**

**Subject: WAY FORWARD OF THE SKYLINE APARTMENT PROJECT**

**19.** The Board was informed that JV Agreement between FGEHA and M/s ALLC was signed on 13th November 2019 with the aim to provide housing facilities to the Federal Government Employees and General Public on ownership basis. Accordingly, the land measuring 225 Kanal had been mutated by the JV partner in the name of FGEHA at the rate of Rs. 2.0 Million per Kanal. According to the provisions of JV Agreement, the share of FGEHA & M/s ALLC was as under:-

| S. No. | Description | FGEHA Share | M/s ALLC Share |
|---|---|---|---|
| 1 | Residential | 90% (Govt. Employees & General Public) | 10% |
| 2 | Commercial | 40% | 60% |

**20.** It was apprised that project consultant was hired through competitive bidding under PPRA Rules and the Consultancy Agreement was signed between FGEHA and M/s Designmen Consulting Engineers on 19th December 2019 for **Design Review & Vetting and Detailed Construction Supervision**. The Board was informed that Project Designing and Cost Estimation were done by M/s ALLC and the same were reviewed/vetted by the FGEHA Consultant M/s Designmen.

**21.** Skyline Project comprises of Five (05) Packages. The detail is as under:-

| Package | Size (Sft) | Category | No. of Apartments | Block |
|---|---|---|---|---|
| I | 1500 | A | 860 | Rose |
| II | 1100 | B | 1195 | Tulip |
| III | 860 | C | 630 | Daffodil |
| IV | 860 | C | 1260 | Daffodil |
| V | Infrastructure Development Works | | | |

**22.** It was further briefed that consequent upon approval of Executive Board in its 3rd meeting held on 9th March 2020, Construction Agreement amounting to **Rs. 23,861.88 M** was signed on 13th April 2020 for design and construction of Skyline apartments with the completion period of 36 months along with grace period of 12 months. Accordingly, notice for commencement of work was issued by M/s Designmen to M/s ALLC on 11th May 2020 for two (02) packages, i.e., Package-I & Package-V. The original cost of commenced packages (I & V) was **Rs. 6,611.09 M.**

**23** It was informed that the development work was stopped by the contractor (M/s ALLC) in April 2022 due to the nation-wide unprecedented price hikes & material shortages and contractor's extra-contractual requests of revision of prices. At that time the physical progress of the project was 24.05%.

**24.** The attention of the Board was invited to the 4th meeting of supervisory committee on Skyline Project held on 4th April 2022, whereby Technical Committee was constituted on 7th April 2022 to address the Contractor's issues/claims. The report of the said committee was issued on 14th October 2022 to all the stakeholders of Project, however contractor refused to accept the findings, recommendations and decisions of committee on 17th October 2022 and requested the Engineer to make the decision as per clause 67.1 of the conditions of the contract.

**25.** The Board was informed that "The Engineer" issued its decision on 26th October 2022 and endorsed the stance of FGEHA reflected in the report of said committee but the contractor again refused to accept the decision of "The Engineer" on 27th October 2022 and desired to resolve the matter in the light of clause 67.3 of the conditions of the contract, i.e., by Arbitration. "The Engineer" issued Certificate of Default of Contractor as per Clause 63.1 on 2nd November 2022 upon M/s ALLC's persistent & flagrant non-compliance, non-adherence & violations constituting fundamental & material breach of contractual stipulations & obligations. FGEHA thus served the prescribed Notice of Default of Contractor as per Clause 63.1 on 3rd November 2022 & after lapse of prescribed 14-days period of aforementioned notice, the contract thereby stood terminated.

**26.** It was briefed that owing to the unprecedented price hike and issues related to stoppage of construction works, the matter was eventually resolved by the 25th Executive Board in its meeting held on 11th April 2023 through constitution of committee for amicable settlement. The committee chaired by Joint Secretary Estate (M/o H&W) presented amicable settlement report along with draft settlement agreement before 27th Executive Board in its meeting held on 20th July 2023. Consequent upon the approval from the Board, settlement agreement was signed between FGEHA and the contractor **(M/s ALLC) on 24th July 2023.** Minutes of 27th Executive Board meeting were confirmed by 30th Executive Board in its meeting held on 30th November 2024, thereby effecting the amicable settlement agreement. As a result, the construction agreement between FGEHA & the contractor (M/s **ALLC**) had come to an end by settling all previous claims and disputes between FGEHA & M/s ALLC.

**Way Forward:**

**27.** It was apprised that following factors were considered while devising the way forward of the project:-

i. Booking/Allotment Status.
ii. Financial Status of Project.
iii. Remaining Works/Progress of Packages.

i. **Booking/Allotment Status:**

28. It was apprised that the allotment/booking of 719/860 apartments of category A **(83.60 %)** suggested that commencement of remaining works of Category A apartments should be given priority followed by commencement of Category B with 44.77 % allotment/booking and Category-C with only 6.72 % booking. Details of allotment of apartments in each category as on 30th April 2024 are as under:-

| Category | Total Apartments | Apartment Share | | Total FGEHA Allotments | | Current Allotments | | Net Allottees (FGEHA + JV Partner) | Apartments Booking Status |
|---|---|---|---|---|---|---|---|---|---|
| | | FGEHA (90%) | JV Partner (10%) | Total Allottees | Refunded Allottees | FGEHA Allottees | JV Partner Allottees | | |
| | (A) | (B) | (C) | (D) | (E) | (F = D – E) | (G) | (H = F + G) | (J = H / A) |
| | (Nos.) | (Nos.) | (Nos.) | (Nos.) | (Nos.) | (Nos.) | (Nos.) | (Nos.) | (%) |
| A – Rose | 860 | 774 | 86 | 704 | 71 | 633 | 86 | 719 | 83.60 |
| B – Tulip | 1,195 | 1,076 | 119 | 643 | 108 | 535 | 0 | 535 | 44.77 |
| C - Daffodil | 1,890 | 1,701 | 189 | 172 | 45 | 127 | 0 | 127 | 6.72 |
| Total | 3,945 | 3,551 | 394 | 1519 | 224 | 1,295 | 86 | 1,381 | 35.01 |

ii. **Financial Status/Allottees Receipts**

29. It was further apprised that cash flow statement of the project as on 30th April 2024 played a decisive role in devising the way forward of the project, i.e., through packaging of remaining works. The details of total receipt received from allottees, total expenditure incurred and amount available are as under:-

**CASH FLOW STATEMENT AS ON 30-04-2024**

| Sr. No | Description | Amount (Rs. M) |
|---|---|---|
| 1 | Allottees Receipts | 2,922.78 |
| 2 | Expenditures Incurred | 2,128.88 |
| 3 | **Account Balance** | **793.89** |
| 4 | Receivables from Allottees (Rose, Tulip & Daffodill) | 27,081.34 |
| 5 | Receivables from Rose Allottees | 7,232.46 |

iii. **Remaining Work/Progress of Packages**

30. It was informed that as depicted in the table on the next page, commencement of two packages had been initiated. 24.05 % of Package-I (Construction of Category-A apartment) and some work of Package-V (Infrastructure works of the project) had been completed.

| Package | Category/ Block | Towers | Status | Progress % |
|---|---|---|---|---|
| I | A/ Rose | 4 | Commenced | 24.05%<br>• Tower A & B: 2nd floor slab completed<br>• Tower C & D: 1st floor slab completed |
| II | B/ Tulip | 5 | Not Commenced | - |
| III | C/ Daffodil | 7 | Not Commenced | - |
| IV | C/ Daffodil | 14 | Not Commenced | - |
| V | Infrastructure Development Works | | Commenced | • Culvert 70% completed<br>• Sub Grade of main Road upto culvert completed. |
| Total Towers = 30 | | | | |

31. It was further informed that in pursuance of detailed analysis of the factors mentioned above and due to unprecedented price hike of construction materials in the country, the revision in the cost of project was inevitable. Therefore, commencement of remaining works of Category-A (Rose-Blocks) may be initiated in first phase followed by Category B & C in subsequent phase. The Project duration for completion of remaining works of the project would be 30 months after commencement of works at site.

32. It was apprised that accordingly, JV Partner M/s ALLC was requested to submit its cost estimates based on the MRS Rates 2023. The summary of the same is as follows:-

| Sr. No | Description | MRS 2020 (Million PKR) | MRS 2023 (Million PKR) | % age Increase |
|---|---|---|---|---|
| 1 | Package-I: Roses | 6,261.09 | 13,809.71 | 120.56 |
| 2 | Package-II: Tulips | 6,353.76 | 15,355.98 | 141.68 |
| 3 | Package-III: Daffodils 1, 2 & 3 | 5,122.43 | 11,123.76 | 117.16 |
| 4 | Package-IV: Daffodils 4, 5 & 6 | 4,562.81 | 9,932.72 | 117.69 |
| 5 | Package-V: Infrastructure | 350.00 | 956.14 | 173.18 |
| 6 | **Net Total =** | **22,650.10** | **51,178.31** | **118.93** |
| 7 | Design Fee @ 0.35% | 79.28 | 179.12 | |
| 8 | PRA Tax @ 5% | 1,132.50 | 2,558.92 | |
| 9 | **Grand Total =** | **23,861.88** | **53,916.35** | **118.93** |
| **Note:** Already Work Done Cost is also included in Package-I (Rose) Rs.1,589 Millions. | | | | |

## a). PROJECT'S REVISED COSTS & PER SFT COSTS

| S. No. | Description | | Rose, Tulip & Daffodil (Rs. M) | Rose (04 Towers) (Rs. M) | Label |
|---|---|---|---|---|---|
| 1 | **Costs of Remaining Building Works** | - | 48,632.39 | 12,219.93 | A |
| 2 | **Costs of Remaining Infrastructure Works** | - | 956.14 | 500.00 | B |
| 3 | **Construction Costs of Remaining Works** | A+B | 49,588.54 | 12,719.93 | C |
| 4 | Construction Costs of Already Executed Works (Expenses of Work done) | - | 1,589.77 | 1,589.77 | D |
| 5 | **Total Construction Costs** | C+D | 51,178.31 | 14,309.71 | E |
| 6 | Design Fee | E x 0.35% | 179.12 | 50.08 | F |
| 7 | PRA Tax @ 5% on Total Construction Costs | E x 5% | 2,558.92 | 715.49 | G |
| 8 | **Contract Amount** | **E + F + G** | **53,916.35** | **15,075.27** | H |
| 9 | Land Cost + Mutation Charges | | 472.50 | 103.00 | J |
| 10 | Utilities (Connection Charges: WAPDA, SNGPL, etc.) | | 2,500.00 | 1,500.00 | K |
| 11 | Escalation @ 6.5% for 2nd year and @ 13% for 3rd year | | 3,259.82 | 865.76 | L |
| 12 | Contingencies @ 2 % on (Construction Costs) | E x 2% | 1,023.57 | 286.19 | M |
| 13 | Design Review, Vetting & Supervision Charges | | 555.48 | 138.43 | N |
| 14 | PMU Charges @ 1% | A x 1% | 511.78 | 143.10 | P |
| 15 | Total Allied Costs | J+K+L+ M+N+P | 8,323.15 | 3,036.49 | Q |
| 16 | **Total Cost of the Project** | **H + Q** | 62,239.50 | **18,111.76** | R |
| 17 | **Covered Area of Project (Million SFT)** | | **6.38** | **1.88** | S |
| 18 | **Saleable Area Price/ Sft (Tentative)** | **R / T** | **9,754.83** | | T |

## b. REVISED PRICE OF APARTMENT:

As per above mentioned cost estimates, a summary of Original/ Existing and **tentative revised price** of apartments is as under:-

| Sr No. | Description | Govt. Employees | | General Public | |
|---|---|---|---|---|---|
| | | Existing (@ PKR. 4,700/Sft) (Millions) | Revised Prices (@ PKR. 9,755/Sft) (Millions) | Existing (@ PKR. 5,641/Sft) (Millions) | Revised Prices (@ PKR. 11,709/Sft) (Millions) |
| 1 | **Type-A Apartment** Gross Area: 2,181 Sft | 10.25 | 21.27 | 12.30 | 25.54 |
| 2 | **Type-B Apartment** Gross Area: 1,625 Sft | 7.64 | 15.85 | 8.48 | 19.23 |
| 3 | **Type-C Apartment** Gross Area: 1,356 Sft | 6.38 | 13.23 | 7.07 | 15.88 |

33. It was further apprised that after taking principle approval of way forward of the project from the Board, i.e., packaging of remaining works on revised cost based on above mentioned factors, following actions would be taken:-

i. The revised construction costs duly vetted by the Consultants along with the Construction Agreement with enhanced price of apartments would be placed before Technical Committee & Steering Committee for approval.
ii. The recommendations of the mentioned committees would be placed before the Executive Board for approval.
iii. Option would be given to the existing allottees either for withdrawing/refund or continuing with the enhanced price.
iv. Construction agreement would be signed with the JV Partner.

**RECOMMENDATION:**

34. The agenda was placed before the Executive Board for **Principle Approval** of recommencement of remaining works through Packaging by ***Enhancement of Rates (Tentatively @ Rs. 9,755/Sft & Rs. 11,709/Sft for Govt. Employees & General Public, respectively)*** in order to proceed further with the resumption of works of Skyline Apartments Project.

**DISCUSSION:**

35. It was informed that resumption of the project had been envisaged based on three factors which included: booking/allotment status, financial status of project and percentage remaining works. The detailed analysis of all these factors revealed that resumption in phases on revised cost with Rose Tower (category A apartment) at first place was the only and preferred option for resumption and timely completion of Project. It was further informed that resumption of the project would be made strictly in the light of JV agreement. In response to the queries regarding cost reasonability, the Board was apprised that the cost of apartment is less than the market rate of apartment projects of the vicinity areas. Moreover, allottees would be given an option of continuing with the scheme on revised cost or withdrawing the refund.

**DECISION:**

36. The Board granted principal approval of ***Enhancement of Rates (Tentatively @ Rs.9,755/Sft & Rs.11,709/Sft for Govt. Employees & General Public, respectively)*** in order to proceed further with the resumption of works at Rose Tower (category A apartment) of Skyline Apartments Project.

**AGENDA NO. 05**

**Subject: UPDATE ON THE CARLTON HOTEL PROJECT, KARACHI**

**INTRODUCTION**

**37.** The Board was informed that plot of Carlton Hotel, measuring 3.149 Acre, situated near Cantt. Railway Station, Civil Lines Quarters, Karachi was mutated in favour of Ministry of Religious Affairs and Minorities in 1979. The land was later on transferred to M/o Housing & Works in compliance of Presidential Order bearing DO No. 13(II)/74/HAJ dated 2nd June 1982. The same was notified by the Ministry of Housing & Works in its favor after recording and enrolling in revenue record of Karachi Metropolitan Corporation on 22nd November 1995. Eventually the plot was given to Pak. PWD and later on to PHA Foundation. Several schemes were launched for its utilization but none of them could be executed for one reason or the other.

**38.** It was further informed that in compliance of instructions of M/o Housing & Works and in pursuance of decision taken in 143rd meeting of Executive Committee held on 20th December 2016, it was decided to utilize the plot in the best public interest and FGEH Foundation was asked to take possession of the plot to launch residential-cum commercial apartments scheme for government employees as well as for general public through EHFPRO after payment of outstanding dues. In accordance with the directions of M/o Housing and Works, the plot was formally handed over to Pak. PWD and later to FGEH Foundation on 2nd February 2017.

**39.** It was later observed that the site which was handed over to FGEHA was substantially encroached by illegal bus operators who had secured a stay order from Sindh High Court. In order to address the encroachment issues and in continuation of Prime Minister's Office U.O No. 4(10) DS(EI)2016 dated 5th January 2017 followed by reminders on the subject, FGEHA took up the matter with concerned authorities, i.e., Chief Secretary Sindh, Inspector General of Sindh Police, Director General Rangers and others to prevent the plot from encroachers/land grabbers so that movement of un-authorized persons in the area could be stopped. This position was also communicated to NAB Sindh, FIA Sindh and Anti-Corruption Establishment, Karachi. FGEHA also engaged the services of prominent lawyers to contest cases in Sindh High Court upon the decisions of Executive Board.To prevent further encroachment FGEHA took steps to retrieve the possession of the entire plot and as a result substantial portion of the ibid land was retrieved from the land grabbers through various operations.

40. It was also informed that Executive Lifestyle Residency Apartments were launched in October 2017 on clear land measuring 2.07 Acre and approximately 280 apartments of Category 'A' and 'B' were planned. Almost 1600 applications were received for 22 storey apartment complex with an estimated rate of Rs. 5150/- per Sft. As of now, liability of 498 members and ***an amount of Rs. 76,489,850 lie with EHFPRO for the Karachi project.***

41. As it stands today, the plot of Carlton Hotel is under litigation on account of following three main cases which are subjudice in the Sindh HC:-

i. High Court of Sindh Suit No. 432/2009 ***(Last hearing on 3rd April 2024)***
ii. High Court of Sindh Suit No. 02/2016 ***(Last hearing on 19th January 2023)***
iii. High Court of Sindh CP No. 39/2023 ***(Last hearing on 18th April 2024)***

42. Furthermore, a summary regarding the current status of Carlton Hotel was forwarded to Federal Cabinet on 20th May 2021, with following recommendations:

i. The Presidential order dated 2nd June 1982 regarding auction of the said plot may be reviewed and cancelled.
ii. Change in land use of the Carlton Hotel site to mix use development comprising of residential and commercial land-uses.
iii. Change in purpose of land of Carlton Hotel from lease to government employees & general public.
iv. Permission for execution of the project by FGEHA through its subsidiary management company EHFPRO.

43. The Board was informed that the Federal Cabinet in its decision, dated 15th June 2021 regarding the ibid summary constituted a committee comprising of following members to deliberate and recommend the best legally tenable available options:-

i. Minister for Housing and Works (Convener)
ii. Minister for Law and Justice

44. It was further informed that the matter was also discussed in the 23rd meeting of the Executive Board on 13th September 2022 in which the updated situation of Carlton Hotel plot was reviewed and the Board decided as under:-

"(الف) ایگزیکٹیو بورڈ نے EHFPRO کی غیر قانونی مداخلت کے متعلق مندرجہ ذیل فیکٹ فائنڈنگ انکوائری کمیٹی تشکیل دینے کی ہدایت جاری کی جو جلد از جلد ایک فیکٹ فائنڈنگ انکوائری کر کے اپنی سفارشات آنے والے بورڈ کے اجلاس میں پیش کرے گی جس کی روشنی میں بورڈ زمہ داران کے لیے لائحہ عمل طے کرے گا:

i. ایڈیشنل سیکرٹری، وزارت ہاؤسنگ اینڈ ورکس
ii. فنانس ڈویژن کا نمائندہ
iii. لاء ڈویژن کا نمائندہ
iv. ڈائریکٹر فنانس، ایف جی ای ایچ اے
v. ڈائریکٹر لاء، ایف جی ای ایچ اے

ب) بورڈ نے ہدایت جاری کی کہ دفاتی کابینہ کی سمری شمار نمبر-4 پر دی گئی سفارش میں ترمیم کرکے EHFPRO کا نام نکال دیا جائے اور EHFPRO سے تمام ادائیگیوں کی وصولی عمل میں لائی جائے (All recoveries from EHFPRO to be made) نیز (FGEHA) اپنے روایتی طریقہ کار کے مطابق یہ پراجیکٹ خود تکمیل کرے گا۔"

45. However, the Executive Board in its 24th meeting held on 2nd November 2022 vide agenda item No. 1 reviewed above mentioned decision and decided as under:-

"بورڈ نے مندرجہ بالا حقائق کی روشنی میں 23ویں اجلاس کے ایجنڈا نمبر-02 بعنوان "**کارلٹن ہوٹل کراچی پراجیکٹ کی موجودہ صورتحال**"، جس کا فیصلہ سابقہ / 23ویں اجلاس کے فیصلہ جات کا پیرا نمبر-16 میں درج تھا کے علاوہ تمام ایجنڈا کی متفقہ طور پر منظوری دے دی اور کارلٹن ہوٹل سے متعلق مندرجہ ذیل احکامات صادر فرمائے:

ا۔ ایفپرو (EHFPRO) سے متعلق انکوائری کمیٹی کے فیصلے کو تنسیخ کر دیا۔

ب۔ یہ ہدایت صادر کی کہ بورڈ کے آئندہ اجلاس میں ایفپرو کمپنی کی جانب سے اس موضوع پر ایک مفصل پلان پیش کیا جائے تاکہ بورڈ کسی مناسب فیصلہ پر پہنچ کر پراجیکٹ کا آغاز کرے۔

ج۔ مزید براں ہوٹل کی بجائے مخلوط استعمال کی بنیاد پر ایگزیکٹیو اپارٹمنٹس اور کمرشل ایریا کا پلان / ڈیزائن بورڈ کے آئندہ اجلاس میں پیش کیا جائے۔

د۔ مندرجہ بالا فیصلہ کی شق-ج کی بابت حکومت سندھ سے لینڈ یوز (Land-use) کی تبدیلی کے حوالے سے کیے گئے اقدامات سے بورڈ کو آئندہ اجلاس میں مطلع کیا جائے۔

46. It was brought to the notice of the Board that no significant action had been taken in compliance of the decisions of above mentioned forums. Therefore, in the light of facts narrated above the Board was requested to review its decision made in 24th meeting held on 2nd November 2022 vide agenda item No. 1 and EHFPRO might be excluded from Carlton Hotel Project based upon on the facts/reasons mentioned on the next page; and revised summary may be forwarded to the Federal Cabinet for approval of Carlton Hotel project:-

i. No Equity was provided by the EHFPRO in Carlton Hotel project.

ii. No agreement had been signed between FGEHA and EHFPRO regarding the said project.

iii. Despite lapse of more than 18 months, EHFPRO was unable to provide any detailed plan before the Executive Board, as required by them.

iv. Transfer of funds amounting to Rs. 76,489,850/- lying in EHFPRO account to FGEHA account.

v. Transfer of complete record from EHFPRO to FGEHA.

**RECOMMENDATION:**

**47.** The Executive Board may reinstate its earlier decision of 23rd meeting held on 13th September 2022 vide Agenda Item No. 02.

**DISCUSSION:**

**48.** It was briefed in detail about the background, earlier decisions of different fora & their implementation and current status of development. While responding to the query, the Board was informed that no formal agreement was made in the light of decision of 143rd Executive Committee; no further proceedings had been taken up by the committee constituted by Federal Cabinet to devise a way forward of the project and no meeting had been conducted by the committee constituted by 23rd Executive Board as the decision of 23rd Board had been revoked by 24th Executive Board during confirmation of minutes of 23rd meeting. The Board was further apprised that decision of 24th Executive Board was not implemented and EHFPRO had failed to fulfil its obligations. The Board after threadbare discussion and in the light of opinion of member Law & Justice Division held that since the decision of 24th Board had no legal effect therefore the Board may consider to revoke the decision of 24th Executive Board.

**DECISION:**

**49.** The Board unanimously decided to rescind its earlier decision of 24th meeting held on 2nd November 2022 and reinstate the decision of 23rd meeting held on 13th September 2022.

**AGENDA NO. 06**

**Subject:** **ISSUE OF ALLOTMENT OF PLOT UNDER PRIME MINISTER ASSISTANCE PACKAGE TO FOUR BPS-22 OFFICERS (EX-CADRE)**

**50.** The Board was informed that the following four BS-22 Ex-Cadre Officers were offered plots under Prime Minister's Assistance Package Scheme in 2009 on the recommendation of their respective departments as per details given below:-

| S. No. | Name of officer | Designation | Recommending Department |
|---|---|---|---|
| 1. | Mr. Karamat Hussain Niazi, | Secretary National Assembly | National Assembly Secretariat |
| 2. | Mr. Iftikhar Ullah Babar, | Special Secretary Senate | Senate Secretariat of Pakistan |
| 3. | Raja Muhammad Amin, | Secretary Senate | Senate Secretariat of Pakistan |
| 4. | G.A Sabri, | Special Secretary, | M/o Petroleum and Natural Resources |

**51.** It was further informed that a letter regarding the eligibility of officers was written to the Establishment Division on 29th June 2012. In response to this letter, the Establishment Division clarified that the above mentioned officers neither belonged to any regularly constituted Occupational Group nor they were promoted as Federal Secretaries therefore they did not qualify for allotment of additional plots under the existing policy/criteria.

**52.** It was apprised that National Assembly Secretariat, Public Accounts Committee (PAC) wing vide letter dated 14th September 2012 directed Housing Authority that since the PAC never directed to seek eligibility of these officers from Establishment Division therefore the letter written by the Housing Authority should be withdrawn immediately. On 20th September 2012, the PAC further directed that ***if the reply from Establishment Division is received regarding eligibility of the above officers that shall not be acted upon.***

**53.** It was further added that the plots provisionally allotted to these four (04) officers were created in amenity areas of Sector G-13 and Lahore High Court, Rawalpindi bench held that ***plots carved out of public utility areas are illegal and unlawful.*** The plots allotted to these 4 officers along with 65 others had been affected by this judgment and were deleted from the map of sector G-13, however their allotment letters had never been withdrawn and were intact.

**54.** It was also apprised that the matter was placed before 145th meeting of the Executive Committee held on 24th May 2017 wherein it was decided that as the plots of the following officers were earlier located in amenity areas of sector G-13 Islamabad, therefore, the names of the said officers should be included in the liability cases in Sector F-14/F-15 as per law.

1. Mr. Karamat Hussain Niazi , Secretary , (National Assembly Secretariat)
2. Mr. G.A Sabri, Special Secretary, (M/o Petroleum and National Resources)
3. Mr. Ifikhar Ullah Babar, Special Secretary, (Senate Secretariat)
4. Raja Muhammad Amin, Secretary, (Senate Secretariat)

**55.** It was further stated that the Islamabad High Court in its judgment dated 27th August 2021 in Writ Petition No. 3277/2020 titled *"The Jurists Foundation V/s Government of Pakistan through M/o H&W, Islamabad etc"* decided as under:-

> ***"The instant writ petition is Partially Allowed to the extent of O.M dated 27th June 2006 regarding Prime Minister Package (Facilities for Federal Secretaries and other civil servants) for BS-22 officers and approval of the Prime Minister for revised criteria for allotment of plots dated 11th January 2008 are declared illegal, rest of the claim prayed in the writ petition stands dismissed with direction to the Secretary, Establishment Division, Secretary, M/o Housing & Works and Secretary, Law and Justice, Government of Pakistan to place the matter of entitlement of allotment of second plot to the Federal Secretaries and other Civil servants as well as to the Judges of the Superior Courts before the Federal Government, who shall give its approval afresh after considering the law."***

56. It was apprised that the said judgment of Islamabad High Court was sent to Hafiz Arafat Choudhary, Advocate Supreme Court of Pakistan for legal opinion, who opined as under:-

> ***Since the Jurists Foundation Judgment is silent as to whether the judgment rendered by the IHC should be given retrospective effect or prospective effect, therefore following the general principle of consistency the Jurists Foundation case should be given prospective effect. However, Authority must not make any new allotment under the scheme till the matter conclusively decided. Moreover, FGEHA cannot recall any allotment already made under the scheme pursuant to Jurists Foundation Judgment as all those allotments are past and closed transactions rights accrued in favour of all the allottees cannot be taken back.***

57. It was further apprised that the Islamabad High Court in case titled ***"Mr. Karamat Hussain Niazi Vs Federation of Pakistan etc"*** directed FGEHA as under:-

> ***"The Executive Board of the Federal Government Employees Housing Foundation is, therefore, directed to reconsider the claim of the petitioner in the light of the judgment rendered by this Court in WP No. 1576/2020 (referred above) and re-examine the legal status of the allotments made to the petitioner and submit its detailed final report before this Court on or before the next date fixed.".***

58. It was informed that the Honourable IHC in another case titled "***Mr. Iftikhar Ullah Babar V/s Secretary, M/o H&W, GoP etc***" had directed as under:-

> ***"That the petition is disposed off with the direction to the respondent to do the needful as per policy of the Federal Government for allotment of plots/properties to the civil servants and do the needful in this behalf.".***

59. It was briefed that FGEHA acted in accordance with the legal opinion and did not recall any allotments (approximately 600 from 2006-2021) made under the PM Assistance Package. Therefore, allotment cases of 4 officers currently under discussion were also a closed transaction on the same principle as they were allotted plots prior to the receipt of judgment.

**RECOMMENDATION:**

**60.** In compliance of the directions of Islamabad High Court in writ petition No. 1138/2017 (Karamat Hussain Nazi Vs FOP and writ petition No. 4850/2014 Iftikhar Ullah Babar Vs M/o H&W etc.), following proposals were presented before the Board:-

**Proposal I:**

**61.** The said officers were allotted plots in Sector G-13 in the years 2009-10 and they had already deposited the total cost of the plot with FGEHA. Moreover, FGEHA, neither revoked their allotments nor refunded the deposited amounts. Therefore, it was proposed to regularise the allotments to the mentioned officers as a **one-time dispensation** in the light of decision of Islamabad High Court in the writ petition (Iftikhar Babar Vs FOP), wherein the FGEHA was directed to consider the case of Mr. Iftikhar Babar under the policy of the Federal Government for allotment of plots to civil servants.

**Proposal II:**

**62.** Alternatively, FGEHA may adhere to its initial position presented in the Islamabad High Court and contest the Intra Court Appeal on the same grounds, and wait for its final outcome.

**DISCUSSION:**

**63.** It was informed that in 2009, four BS-22 ex-cadre officers were offered plots under the Prime Minister's Assistance Package scheme. These plots were allotted in Sector G-13, Islamabad, but were carved out in amenity areas by CDA. This creation in amenity areas was challenged by the Residents Welfare Society of Sector G-13 in the Lahore High Court, Rawalpindi Bench. The court invalidated the creation of these plots in the public areas, a decision which was upheld through the appeals filed by FGEHA in both the ICA and the CPLA before the Supreme Court of Pakistan. As a result, 65 plots were removed from the layout plan of Sector G-13 Islamabad. All affected allottees received alternate plots in other ongoing schemes of Federal Government Employees Housing Authority except these mentioned BS-22 officers who did not meet the eligibility criteria.

**64.** It was further informed that FGEHA neither explicitly withdrew the allotment letters for these officers nor refunded their deposited amounts. The Draftsman, Ministry of Law & Justice clarified that the Islamabad High Court's decision in the Jurists Foundation case, which set aside the PM Assistance Package, did not apply retrospectively and thus could not

affect cases finalized before this judgment. He further emphasized that these officers had already deposited the required amounts for their plots, which also attracted the ***principle of locus poenitentiae***, and that prevented FGEHA from reversing its decision at this belated stage.

**65.** Based on these considerations, the Board unanimously decided to regularize the allotments of these four officers as a closed transaction specifying that this decision should not set a precedent for future cases.

**DECISION**

**66.** The Executive Board approved Proposal No. 01 **(Para 61)** and directed that plots be allotted to the mentioned four officers in any ongoing scheme of the FGEHA as **one-time dispensation.**

**AGENDA ITEM NO. 07**

**Subject: UPDATE ON BUSINESS PLAN OF FGEHA**

**INTRODUCTION**

**67.** The Board was informed that the Federal Government Employees Housing Authority (earlier FGE Housing Foundation) was established as a cell in Ministry of Housing & Works (M/o H&W) in 1989. Later on, it was registered with the Securities and Exchange Commission of Pakistan as a Public Limited Company on 26th March 1990 under Companies Ordinance, 1984. The erstwhile FG Employees Housing Foundation was established as Federal Government Employees Housing Authority through an act of Parliament on 15th January 2020.

**68.** FGEHA was mandated to initiate, launch, sponsor and implement housing schemes for Federal Government Employees (serving and retired) and other specified groups, as decided from time to time, on ownership basis, in Islamabad, Provincial Capitals and other major cities of Pakistan, on **No-Profit No-Loss** basis.

**Problem Statement/Performance Index - (Inability to Deliver)**

**69.** It was apprised that Federal Government Employees Housing Authority (FGEHA) was obligated with approximately **190,862 registered members**, with nearly **35,000 units** delivered so far. The remaining 155,862 members anxiously await their turn on the seniority/merit list. The current sluggish pace of delivery (**1,100 per year**) posed a significant challenge, as it would take nearly 150 years to clear the existing backlog. Over the past 16 years, the average registration rate had been **10,500 per year**, which was almost 10 times the rate of delivery; under no scale, this was a practical scenario. This dismal state of **demand versus delivery** questions existence of this organization and calls for a complete transformation of its structure, policies and practices.

**Formation of the Committee (First Tier)**

**70.** It was apprised that with a view to overcome the above-mentioned challenges, a high level committee has been constituted to synthesize the existing practices of FGEHA and propose an alternate sustainable business model and measures to enhance performance besides securing long-term sustainability.

The composition of the committee is as under:-

| | | |
|---|---|---|
| a. | Chief Engineer, FGEHA | **Chairman** |
| b. | Sr. Director Estate, FGEHA | Member |
| c. | Director Revenue, FGEHA | Member/Secretary |
| d. | Director Finance, FGEHA | Member |
| e. | Director Law, FGEHA | Member |
| f. | Director Planning, FGEHA | Member |
| g. | Director Land, FGEHA | Member |
| h. | Director JVP, FGEHA | Member |
| i. | Director Staff, FGEHA | Member |

The TORs of the committee are as under:-

I. To formulate a comprehensive policy for utilization of amenity plots of FGEHA under public-private partnership/joint venture.

II. To explore the options for enhancing land banking of FGEHA in light of provision of FGEHA Act, 2020.

III. To discover the options for disposal of remaining unallotted units/inventory (apartments and plots)

IV. To propose a sustainable business model for Housing Authority.

**Working of the Committee**

71. It was further apprised that the enormity of the problems called for a holistic inquisition & paradigm shift towards more practical and pragmatic approach to resolve the said issues. It entailed identifying inherent and accumulated weaknesses in existing framework and replacing the policy and implementation matrix, to overcome not only the existing challenge of demand versus delivery but also to set pace for future. ***Therefore, the committee's working was organized into a three-tier process by constituting following subcommittees for each TOR.***

i. **First Tier:** Main Committee (para-70) under the Chairmanship of Chief Engineer would devise holistic & comprehensive business plan after compiling the reports from each subcommittee which would be presented before the Board for approval.

**Timeline:** 2-3 weeks after receiving reports from subcommittees.

ii. **Second Tier:** Sub-committees (para-71) would submit the report on their respective TORs to main committee after studying the existing

business process of each Directorate according to the contours of working of sub-committees

**Timeline:** 2 weeks after receiving reports from Directorates.

iii. **Third Tier:** Heads of Directorates would submit report of their respective Directorates according to the contours of working of sub-committee (S. No a 3 to 7).

**Timeline:** Initial Reports/first draft reports from all Directorates were under review by sub-committees. Reports of Directorates would be finalized in one week.

| S. No. | TOR | Members of Sub-Committee |
|---|---|---|
| i. | **TOR-1**: Amenities and commercial Area Plots | a) Dir (Planning)<br>b) Dir (JVP)<br>c) Dir (Revenue) |
| ii. | **TOR-2**: Land Banking | a) Dir (Land)<br>b) Dir (JVP)<br>c) Dir (Law) |
| iii. | **TOR-3**: Un-allotted Inventory | a) Dir (Estate)<br>b) Dir (Finance) |
| iv. | **TOR-4**: Sustainable Business Model | a) Dir (Revenue)<br>b) Dir (Planning)<br>c) Dir (Finance) |

**Contours of the working of Sub-Committees**

a. Each sub-committee was tasked to coordinate with the concerned Directorate and submit outline plan of its respective TOR as per following guideline, in order to proceed further:-

1. Problem statement of TOR along with supporting data, facts and figures.
2. Objective and scope of the particular TOR.
3. Unfolding of the Existing mechanism of every function of each Directorate FGEHA.
4. Weaknesses in the existing framework/gap analysis
5. Comparison of the proposed options with practices of identical organizations CDA/LDA, DHA & Bchria.
6. Proposed framework to overcome existing challenges.
7. Recommendations of the sub-committee with required actions; & forums along with timelines

b. The sub-committees then assigned the relevant parts to the concerned directorates, ***setting a time-line of four weeks for submission of the required details.***

72. It was informed that the Directorates worked on their tasks and submitted their initial drafts to the sub-committees. According to the working of Directorates, i.e., after studying the business processes of each Directorate, conducting the GAP analysis and comparing it with other models, following fundamental constraints which are outlined below had been identified so far:-

**Fundamental Constraints/Causes**

73. It was further informed that a quick insight into the performance matrix of FGEHA revealed three fundamental inhibitions and a multitude of allied issues which impeded all efforts to deliver upon its primary role. These constraints being: -

a. Policies/Regulations – (Independent Constraint)
b. Land - (Dependent Constraint)
c. Financial – (Dependent Constraint)

a. **Policies/Regulations**

Although the FEGHA Act u/s Section 5 (2) e & f allowed a fair level of autonomy regarding land acquisition/procurement yet it required formulation of necessary policies and regulations in the light of provisions of the Act. However, the organization restricted itself to only Land Acquisition Act 1894 that was archaic and had an inherent propensity to fail for ensuring possession of land in its existing form. Moreover, inflexible JV policy and absence of Public Private Partnership policy further aggravated the dismal state of organization's performance. Furthermore, divergent allotment policies such as First cum First and Age wise Seniority which was further bifurcated in to yearly pockets of Age Wise seniority were complex and distant from allottees perspective. The organization lived in the non-digitized world for almost 32 years since its inception in 1989 as a Foundation and was currently at an infant stage after undergoing Digitization in 2021. Departure from rigid, & archaic laws & regulations through amendments in Act/Policies and formulation of simple and flexible policies, rules and regulations were inevitable for organization's existence and its survival.

b. **Availability and Acquisition of land**

(1) Availability and possession of land marked the initiation of a new project, both for plots and apartments. Unfortunately, despite continuous efforts, there was

very little breakthrough due to multitude of reasons. FGEHA Act 2020 allowed the authority to acquire land under the Land Acquisition Act 1894, but identification of suitable land parcels, its acquisition, possession and subsequent retention had proved an uphill task for FGHEA and took years before a project could commence. In case a project was launched without the actual acquisition and possession of land, it soon landed into snags vis resistance from the land owners, litigation and disputes by the contractor and consultants.

(2) General problems in projects due to non/limited availability of land:-

(a) Project Planning

i. No access to the land or site due to resistance form owners.

ii. Layout plans prepared & based on drone surveys or satellite imageries.

iii. Layout plan subject to modification due to delay or non-acquisition of some land parcels.

iv. Exact number, type, size and categories of BUPs could not be determined.

v. More BUPs added despite imposition of section 4/5 due to lack of control by FEGHA, leading to subsequent disputes and litigations.

vi. Land encroachment on pretext of mosques, graveyards & shrines continue and exploited at later stage by owners/community.

(b) Project Execution

i. Exact topographic survey for detailed design could not be conducted due to access issues.

ii. Geo-technical investigations, soil classification, hydration & hydrological survey not possible leading to faulty design.

iii. Detailed design was not accurate due to absence of above-mentioned information/data.

iv. Quantities and project costs remained tentative in the absence of exact/accurate design.

v. Gaps/loopholes in design exploited by the contractor during execution.

vi. Disputes by contractor on account of :-

- Handing over of land
- Absence of accurate design & soil classification
- Idling claims

- Undue extension of time
- Undue variation orders

**vii.** No payments to the supervision consultant due to slow pace of work resulting in their lack of interest in the project & claims.

**(3)** A quick review of the history of several projects initiated under this option, including G-14/1,2 & 3, F-14/15, G-15/3, and the Park Road project, and JV projects like Green Enclave-I and Commoner Sky Garden revealed a common trend: despite being initiated decades/years ago, these projects remained far from completion. The primary reason for these prolonged delays was the ongoing challenge of land availability for development activities. Consequently resulting in disputes with the contractors thus causing further delays.

**Financial Constraints**

**74.** It was apprised that FGEHA was self-financed organization/body and did not receive any public funds, relying on member contributions for land purchases, payment against BUPs and for development. However, the receipts from allottees trickled in at slower pace due to default on instalment payments. This resulted in net deficit which indicated the need of sustainable financial model on following TORs which could maintain the cash flow of projects for their timely completion:-

i. ***Devising mechanism for voluntary monthly subscription for the members along with pros and cons of the scheme***

ii. Reducing dependence on profits earned on investments of allottees' receipts to meet establishment expenditures.

A comparative summary for Capital expenditures and revenue receipts for last four years is as under:-

**YEAR-WISE ALLOTTEE RECEIPTS & DEVELOPMENT EXPENDITURE**
**(Capital Expenditures)**

| YEAR | RECEIPT (PKR.) | EXPENDITURE (PKR.) | DEFICIT (PKR.) |
|---|---|---|---|
| 2019-20 | 7,178,969,478 | 11,600,668,625 | **-4,421,699,147** |
| 2020-21 | 7,178,382,377 | 8,332,688,273 | **-1,154,305,896** |
| 2021-22 | 4,749,539,979 | 7,815,834,763 | **-3,066,294,784** |
| 2022-23 | 3,544,849,469 | 9,432,094,422 | **-5,887,244,953** |
| TOTAL | 22,651,741,303 | 37,181,286,082 | **-14,529,544,780** |
| ***Note: The actual deficit could be significantly greater if construction activities and land payments for all projects were made as per project time-line.*** | | | |

75. The schemes once completed, were handed over to maintenance control and another stream of expenditures opened in the form of Operations & Maintenance (O&M), which should primarily be met from revenue collections from the residents of the schemes. A comparative summary for maintenance expenditures and revenue receipts for last four years is as under:-

**YEAR-WISE REVENUE RECEIPTS & MAINTENANCE EXPENDITURE (Maintenance / O&M)**

| YEAR | RECEIPT (PKR.) | EXPENDITURE (PKR.) | DEFICIT (PKR.) |
|---|---|---|---|
| 2019-20 | 61,384,803 | 120,303,499 | **-58,918,696** |
| 2020-21 | 200,274,819 | 190,294,909 | **-9,979,910** |
| 2021-22 | 338,460,325 | 442,201,932 | **-103,741,607** |
| 2022-23 | 323,152,145 | 870,006,552 | **-546,854,407** |
| TOTAL | 923,272,092 | 1,622,806,892 | **-699,534,800** |

76. It was further apprised that operational expenses had multiplied since becoming an Authority in 2020, with no dedicated funding source to cover establishment-related costs. A comparative data of inflows and outflows for the last four years is as under:-

**YEAR-WISE OPERATIONAL INCOME & ESTABLISHMENT EXPENDITURE (Establishment Expenditures)**

| YEAR | RECEIPTS (PKR.) | EXPENDITURE (PKR.) | DEFICIT (PKR.) |
|---|---|---|---|
| 2019-20 | 86,257,450 | 752,894,589 | **-666,637,138** |
| 2020-21 | 211,731,450 | 977,979,405 | **-766,247,955** |
| 2021-22 | 222,558,263 | 1,274,555,730 | **-1,051,997,467** |
| 2022-23 | 212,371,602 | 1,643,361,848 | **-1,430,990,245** |
| TOTAL | 732,918,766 | 4,648,791,571 | **-3,915,872,805** |

**RECOMMENDATION:**

77. It was apprised that the performance index of FGEHA along with the fundamental constraints determined by the committee are placed before the Executive Board for advance information and guidance on scope of a New Business Model being worked upon to overcome the enormous gap between demand and delivery along with long term sustainability of FGEHA.

**DISCUSSION:**

78. DG FGEHA briefed the Board that detailed analysis of performance evaluation of organization in all sectors transpired that the organization had failed to achieve its goals/ targets and required a holistic change in its existing business process as organization would need another 150 years to clear the existing backlog if continued with the same business process. Major structural and policy reforms were the need of the hour to make the organization robust, sustainable, and responsive which would be achieved through amendments in existing act/ policy/ regulations; and formulation of new policies/ regulations. The Board was apprised that major areas of intervention included: transitioning away from Land Acquition to Land Procurement; formulation of Public Private Partnership, flexible JV policy, allotment policy, financial regulations; IT enabled business process to ensure transparency & efficiency; and structural reforms. New business process would ensure the sustainable future of the organization and adhere to principles & standards of transparency and service delivery in order to achieve efficiency, effectivity and economy. The Board was further apprised that after attaining principle approval, detailed business plan would be presented before the Board. The Board appreciated the efforts made by DG FGEHA and directed to present the business plan of FGEHA before the Board within 6-8 weeks. Member Law & Justice Division invited the attention of the Board to the amendment in the Act of FGEHA as required under item (v) of the policy guidelines of cabinet's decision on 26th April 2023 which clearly mentioned disqualification under Article 63 of the Constitution and advised FGEHA to get those amendments approved by the Parliament in order to remove the anomaly. The Chairman Execute Board endorsed the opinion of Law and Justice Division and directed DG FGEHA to forward the required amendments in the act immediately so that further course of action could be taken accordingly.

**DECISION:**

79. **The Board unanimously accorded principal approval of development of business plan of FGEHA.**

The meeting ended with the vote of thanks.

*****

**ANNEX-I**

**Progress on Decisions of 32nd Executive Board Meeting**

| AGENDA ITEM / DECISION | IMPLEMENTATION STATUS |
|---|---|
| **Agenda Item No. 3:**<br>Infrastructural Development of Green Enclave-I: conversion of performance Bank Guarantee to Insurance Bond.<br><br>**Decision:**<br>The Board unanimously decided in favor of maintaining the Performance Security in the form of Bank Guarantee in line with clause-5 & 8 of the agreement. | • Decision of the Board has been implemented & JV Partner was directed to submit Renewed Bank Guarantee according to Clause 5 & 6 of Contract Agreement.<br><br>**Progress of Project:**<br>• Work at site was suspended/halted by the JV Partner on 4th March 2024.<br>• Negotiations with JV partner for a plausible way forward are at the final stage. |
| **Agenda Item No. 4:**<br>I. Endorsement of revision in LOP of Sector G-13, Islamabad & Sector 19-C, KDA Scheme No. 33, Gulzar-i- Hijri, Karchi.<br><br>**Decision:**<br>The Board unanimously endorsed the revision in the Lay out plan of Sector G-13, Islamabad regarding creation of plots along the railway line in the light of 27th Executive Board Meeting. However, the Board dropped the agenda regarding revision in the layout Plan of KDA Scheme-33 Karachi in the light of aforementioned discussion at para-36 above.<br><br>II. MOU with M/s Hammer Properties (private) limited for land measuring approx. 532 Acre offered at Tapo Jhimpir, Taluka & District Thatta on M-9 Super Highway under joint venture, on end product model.<br><br>**Decision:**<br>The Board endorsed the singing of the MOU between FGEHA and M/s Hammer properties Pvt. Ltd. | **I.** Implemented<br><br>**II.**<br>• Land re-verification is in process from Deputy Commissioner, Thatta<br>• Draft layout plan is ready<br>• After scrutiny of land re-verification, following steps will be taken:-<br>i. Marketing plan for booking of the of the Project |
| **Agenda Item No. 5:**<br>Status of Amicable Settlement of remaining projects of FGEHA at Halt.<br><br>**Decision:**<br>The Board directed to proceed as per Contract agreement regarding Chaklala Heights Project. Further, the Board directed to conduct the detailed fact finding inquiry of the matter and report be presented before the Board for decision. | In Process. |

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## LIST OF PARTICIPANTS OF
## 33RD EXECUTIVE BOARD MEETING OF FGEHA
## HELD ON 16th MAY 2024

| S No. | Name & Designation |
|---|---|
| 1. | **MIAN RIAZ HUSSAIN PIRZADA**<br>Federal Minister<br>Housing & Works, Islamabad |
| 2. | **DR.SHAHZAD KHAN BANGASH**<br>Secretary,<br>M/o Housing & Works, Islamabad |
| 3. | **MR. MUHAMMAD ASHFAQ GHUMMAN**<br>Additional Secretary<br>M/o Housing & Works, Islamabad. |
| 4. | **MR. MUHAMMAD ISRAR**<br>Senior Draftsman,<br>Law & Justice Division, Islamabad |
| 5. | **CH. MUHAMMAD ANWAR HUSSAIN**<br>Senior Chief (Technical/PP&H),<br>Planning Commission, Islamabad |
| 6. | **MR. SAAD FAAZIL ABBASI,**<br>Sr. Joint Secretary (Expenditures),<br>Finance Division, Islamabad<br>***(Agenda No 1-4)*** |
| 7. | **MR. MUHAMMAD ALI RANDHAWA,**<br>Chief Commissioner, ICT.<br>Islamabad<br>***(The representative of ICT departed during the discussion of Agenda No. 5, i.e., Update on Carlton Hotel Project, Karachi).*** |
| 8. | **MR. MUHAMMAD SHAHID HUSSAIN,**<br>Managing Director,<br>PHA Foundation, Islamabad |
| 9. | **MR.MUHAMMAD RASHEED,**<br>Director General,<br>Pak PWD, Islamabad |
| 10. | **MR. MUHAMMAD ALI RANDHAWA,**<br>Chairman CDA,<br>Islamabad<br>***(Member Planning, CDA, departed during the discussion of Agenda No. 2, i.e., Progress on the decisions of 32nd EB)*** |
| 11. | **CAPT. (R) MUHAMMAD ZAFAR IQBAL,**<br>Director General, FGE Housing Authority<br>Islamabad |
| 12. | **COL. (R) IMTIAZ-UL-HAQ KHATTAK,**<br>Chief Engineer, FGEHA, Islamabad |
| 13. | **MR. MUHAMMAD ASHFAQ GHUMMAN**<br>(Co-opted Member) Sr. Joint Secretary,<br>M/o Housing & Works, Islamabad |
| 14. | **MR. MUHAMMAD ADNAN DAYAR**<br>(Co-opted Member) Joint Secretary (Estate)<br>M/o Housing & Works,<br>Islamabad |