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

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F. No.15 (7)/2019-HA (DS)/37

Dated: 16th December 2024

Subject: **MINUTES OF 37TH EXECUTIVE BOARD MEETING OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 05TH DECEMBER 2024**

37th 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, 05th *December 2024 at 11:00 AM***, 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. Alamgir Ahmad Khan, 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. Javed Iqbal, 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

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

Subject: **MINUTES OF 37TH MEETING OF EXECUTIVE BOARD OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 05TH DECEMBER 2024**

37th Meeting of the Executive Board (EB) of the Federal Government Employees Housing Authority (FGEHA) was convened on 05th December, 2024 at 11:00 AM 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 36TH EXECUTIVE BOARD MEETING OF FGE HOUSING AUTHORITY HELD ON 08TH NOVEMBER 2024**

4. Director General, FGE Housing Authority briefed the members of the Board that Minutes of 36th Executive Board meeting were circulated on 28th November, 2024 and no reservation had been received from any member of the Board.

DECISION:

5. **The Executive Board confirmed the Minutes of 36th Executive Board meeting.**

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AGENDA NO. 02

Subject: **PROGRESS ON DECISIONS OF 36TH EXECUTIVE BOARD MEETING**

6. The Board was briefed in detail on the progress of the decisions of 36th Executive Board meeting. Progress report on the said decisions is enclosed **(Annex-I).**

7. The Board expressed its satisfaction over the progress on decisions of 36th Executive Board meeting.

AGENDA NO. 03

Subject: **APPROVAL FROM EXECUTIVE BOARD OF FGEHA FOR THE FOLLOWINGS:**

A. ENDORSEMENT / APPROVAL OF THE AUCTION RESULTS OF COMMERCIAL PROPERTIES IN SECTORS G-13 & G-14, i.e., MIXED USE PLOT, CLASS III COMMERCIAL SHOPPING CENTERS AND G-14 MARKAZ PLOTS CONDUCTED BY FGEHA ON 13TH AND 14TH NOVEMBER, 2024

8. The Board was informed that consequent to approval from the Executive Board FGEHA in its 36th meeting held on 8th November, 2024, Federal Government Employees Housing Authority (FGEHA) held a two-day open auction event in Gandhara Hall, F-9 Park Islamabad on 13th & 14th November, 2024. An overwhelming response was received from the investors. The Auction Committee offered 23 out of 24 plots for open auction, comprising various sizes and categories, including G-14 Markaz, class III shopping centers, and mixed-use plots. However, the auction of the fuel station plot was postponed due to technical and administrative reasons. The summary of 22 sold-out plots along with the starting and highest / offered bid price is tabulated on the next page:-

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#	Plot No.	Location	Area (Sq.yds)	Reserve Price PSY (Rs.)	Offered Bid Price PSY (Rs.)	Total Amount (Rs.)
1	1	Markaz G-14	666.67	625,000	780,000	520,002,600
2	8		2000	625,000	875,000	1,750,000,000
3	18-A		888.9	625,000	760,000	675,564,000
4	19-A		888.9	625,000	700,000	622,230,000
5	8-C	Bazar 05 G-13/3	400	600,000	630,000	252,000,000
6	3-A	Bazar 06 G-13/3	386.67	600,000	640,000	247,468,800
7	3-B		400	600,000	625,000	250,000,000
8	3-C		400	600,000	635,000	254,000,000
9	3-D		400	600,000	715,000	286,000,000
10	1	Bazar 01 G-14/2	206.67	450,000	925,000	191,169,750
11	2		206.67	450,000	920,000	190,136,400
12	3		206.67	450,000	930,000	192,203,100
13	6		93.33	450,000	875,000	81,663,750
14	7		93.33	450,000	880,000	82,130,400
15	8		93.33	450,000	885,000	82,597,050
16	8	Bazar 01 G-14/3	210	480,000	625,000	131,250,000
17	11		46.44	480,000	985,000	45,743,400
18	12		46.44	480,000	1,025,000	47,601,000
19	14		231.11	480,000	985,000	227,643,350
20	15		231.11	480,000	1,075,000	248,443,250
21	16		231.11	480,000	1,020,000	235,732,200
22	3	G-13/4 (Mixed Use)	2606.2	575,000	630,000	1,639,386,000
Total						**8,252,965,050**

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9. It was mentioned that as per **clause 8** of the auction brochure "***The Executive Board shall decide acceptance or rejection of the bid within 20 working days and in case of rejection FGEHA shall return the token money within 15 working days after the decision of the Board***".

RECOMMENDATION

10. The highest / offered bid prices of 22 sold-out commercial plots of different sizes in various categories in sectors G-13 & G-14, presented in **Para 08** above, were placed before the Executive Board for its endorsement/approval as ***Successful Bids***.

DISCUSSION:

11. The Director General, FGEHA, informed the Board that the recent auction was highly successful, with 22 out of 23 commercial plots sold at prices significantly exceeding the reserve price. Bids for plots in G-14/2 and G-14/3 were 110% higher than the reserve price, while bids for G-14 Markaz plots exceeded by 40%. The layout of the auctioned plots was also presented and the substantial revenue generation was noted as a positive outcome. The Board commended the Auction Committee, FGEHA for successfully conducting the auction, with special recognition for the Chairman Auction Committee, Mr. Saeed Malik, Director Revenue FGEHA, Syed Kazim Abbas, and Director Admin FGEHA, Mr. Faiz Umar Sial. The Board recommended issuing appreciation letters to the three officers for their exceptional efforts.

DECISION:

12. The Board unanimously accorded approval for issuance of acceptance letters to all the highest bidders against the respective auctioned plots, declaring them as successful bidders.

B. MODE OF AUCTION OF PLOT RESERVED FOR FIVE-STAR HOTEL IN MAUVE AREA G-13, ISLAMABAD

13. It was apprised that the Board, in its 22nd meeting, approved the disposal of a plot reserved for a five-star hotel through an open auction via "International Competitive Bidding (ICB)" to attract an international hotel chain, aiming to uplift the area through the economic activity it would generate. To facilitate this multi-billion transaction- the first of its kind in Islamabad- a well-reputed consultancy firm was engaged to oversee the entire process as a third party, ensuring maximum transparency and adherence to the highest professional standards. The ToRs of the consultant were as under:-

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i. Determination of the Reserve Price (RP)

ii. Conducting due diligence/feasibility of the project

iii. Developing a marketing strategy for attracting international investors

iv. Preparation of brochure and documents for ICB

v. Conducting the auction under the supervision of the auction committee

14. It was further informed that the Board in its 31st meeting held on 11th January, 2024 under Agenda No. 7 approved the swapping of 5-star hotel plot with the plot reserved for an international hospital, the latter being a more suitable site for the hotel. Accordingly, the consultant was requested to conduct the feasibility study and calculate the reserve price of new plot. The Board was informed that the firm developed the marketing strategy and prepared the brochure documents for ICB; whereas finalization of reserve price of plot was at the final stage.

15. The Board in its 35th meeting held on 16th August, 2024 deliberated on the mode of the international auction of the plot reserved for a 5-star hotel. Two approaches were considered: **open auction** (as decided in the 22nd Executive Board meeting) and **prequalification mode based on the expertise and financial soundness of bidders followed by an open auction**. The Board was apprised that an open auction could generate higher competition and revenue but might delay hotel construction if acquired by a general investor. Conversely, prequalification could limit competition but attract reputable hotel chains, enhancing the area's development.

16. The decision of the 35th Executive Board meeting held on 16th August, 2024 is presented as follows:-

> ***"The Board directed FGEHA that Consultancy Firm, i.e., M/s UHY shall be invited to present its strategy in line with the ToRs/deliverables assigned, before the Board in the next meeting"***

17. The Board was briefed on the FGEHA Auction Committee meeting held on 9th October, 2024 where it was noted that pre-qualification for auctions had been attempted by CDA in 2017 but was stalled by a judicial stay. Since 2011, no such auctions for hotel, hospital, or apartment plots have been conducted. Concerns were raised about the perception of bias in pre-qualification methods. After deliberation, the Committee unanimously recommended proceeding with an open and competitive public auction for five-star hotel plot, without pre-qualification.

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RECOMMENDATION

18. The Board may decide upon the mode of international auction of the plot reserved for 5-star hotel as under; after obtaining the presentation delivered by the Consultancy Firm, i.e., M/s UHY.

i. Open auction without any prequalification, as decided in 22nd meeting of the Board

OR

ii. Pre-qualification of parties-on the basis of their relevant expertise in the hotel industry & financial soundness followed by an open auction among the prequalified parties.

DISCUSSION:

19. The Board was informed that, as per decision of 35th Board meeting, M/s UHY was invited to present on the auction mode for five-star hotel plot (pre-qualification or open auction). Managing Partner M/s UHY, Mr. Ibn-e-Hassan outlined pros, cons, and timelines for both modes and shared progress on firm's assigned deliverables, with 4 out of 5 completed. The Board questioned the need to hire the consultancy firm, given the Auction Committee's role in such matters. After deliberation, the Board while highlighting concerns about the subjectivity of the prequalification mode, endorsed the open auction method, emphasizing its transparency, ability to foster healthy competition and potential for higher revenue generation. In response to the concern regarding the possibility of non-expert bidders participating in the open auction, it was clarified that only relevant bidders would be eligible, as the plot's designated land use is exclusively for a hotel.

DECISION:

20. The Executive Board unanimously reaffirmed its earlier decision of 22nd meeting to proceed with the disposal of the hotel plot through an open auction.

C. MODE OF AUCTION OF PLOT RESERVED FOR INTERNATIONAL HOSPITAL IN MAUVEAREA, SECTOR G-13, ISLAMABAD

21. It was apprised that during its 18th meeting held on 19th November, 2021, the Board approved the disposal of a 14,112 Sq. Yd. plot reserved for an international hospital in the mauve area, sector G-13, Islamabad, through an auction via a Request for Proposal (RFP) process. In line with Executive Board's directions, services of a transaction advisor were engaged

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to conduct a commercial feasibility study and oversee the procurement process for engaging a private party. During the meeting, the Board emphasized that the future course of action for establishing the international hospital in the mauve area should be guided by the following criteria and measures:-

i. Ensure transparency
ii. Legally permitted
iii. Less complicated

22. In light of the criteria mentioned above, the Board decided that auction of the said plot through RFP process was the best option and directed that it be carried out transparently. Following the Board's directions, an Expression of Interest (EOI) was published in the newspaper on 24th April, 2022 but no response was received. Subsequently, during 31st Executive Board meeting held on 11th January, 2024, the Board approved swapping of five-star hotel plot (Plot No. 5) with the International hospital plot (Plot No. 10) in the mauve area, G-13, Islamabad, resulting in a change in the location and size of the international hospital plot. The Auction Committee, FGEHA, in its meeting held on 25th November, 2024 conducted a comprehensive review of the matter, considering factors such as site, size, dimensions, usage, and valuation. It was unanimously agreed that, given the significant shifts in the real estate market since 2021, along with changes in the General Price Index (GPI) valuation and planning parameters, a fresh assessment of the Reserve Price (RP) was necessary. Therefore, the Board proposed that the Revenue Directorate engage the services of a third-party firm, registered with the State Bank of Pakistan (SBP) and the Pakistan Banks Association (PBA), to determine the RP under PPRA rules.

23. The Auction Committee recommended that following modes of disposal of plot may be placed before the Executive Board for its approval.

i. Open Auction without Prequalification

OR

ii. Open Auction through Request for Proposal (RFP)/ pre-qualification

RECOMMENDATION

24. The Board may decide on one of the aforementioned modes of disposal for the plot reserved for the international hospital in order to proceed accordingly.

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DISCUSSION:

25. The Board was informed that due to the lack of response through the RFP mode, the method for auctioning the plot reserved for the international hospital needed to be reconsidered. After reviewing the RFP mode and considering the recent success of the open auction, the Board directed that the plot be auctioned through an open auction.

DECISION:

26. The Board decided to dispose of the plot reserved for international hospital through open auction.

AGENDA NO. 04

Subject: OPTIONS FOR RESUMPTION OF WORK ON KASHMIR AVENUE APARTMENTS

A. BACKGROUND:

27. The Board was informed that Kashmir Avenue Apartments project is located in mauve area of sector G-13/4, Islamabad. Project spanned on an area of 56 Kanals (7-Acres) and comprised of three (03) residential towers, each having 3 basement floors and ground plus 21 floors. Ground Floor (GF) of Block I & III were reserved for commercial activity and that of Block II was reserved for amenities. Whereas, three (03) basement floors were reserved for parking. Brief details are as under:-

i. Total covered area of the project = 3,338,581 Sft
ii. Number of apartments: 1467
   a. Type-A (3-Bed Apartments): 714 Nos, with covered area of 2051 Sft,
   b. Type-B (2-Bed Apartments): 753 Nos, with covered area of 1845 Sft,

28. It was further briefed that PC-I of the project amounting to Rs. 15.07 Billion was approved in the DWP meeting held on 24th December, 2019 which was subsequently endorsed by the 1st Executive Board meeting held on 7th February, 2020. Contractor M/s Kingcrete Builders was hired through PPRA Rules – Single Stage Two Envelope Procedure (SSTE) in March, 2020 and work at the site commenced in May, 2020 with a stipulated project duration of 03 Years.

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B. AMICABLE SETTLEMENT

29. The Board was informed that the project was stalled in November, 2021 as a result of nationwide post COVID impacts like unprecedented price hikes, material shortages as well as contractor's extra-contractual requests for revision of prices, upfront payments, etc. After a series of disputes, litigations & arbitration proceedings, the matter was eventually resolved by the 25th Executive Board in its meeting held on 11th April, 2023 by constituting a committee for amicable settlement. Consequently, settlement agreement was signed between M/s Kingcrete Builders & FGEHA on 24th July, 2023. As a result of the amicable settlement agreement, the construction contract between M/s Kingcrete Builders & FGEHA came to an end by resolving all the claims and disputes between the parties.

C. APPROVAL OF REVISED PROJECT COST:

30. Revised PC-I was prepared based on the principle approval granted by the 31st Executive Board in its meeting held on 11th January, 2024 which authorized the conversion of two amenity blocks into saleable commercial properties to subsidize the cost of the apartments. DWP meeting held on 23rd April, 2024 approved the revised PC-I amounting to Rs. 33.527 Billion. The same was endorsed by 33rd Executive Board on 16th May, 2024.

D. HIRING OF CONTRACTOR:

31. It was apprised that upon approval of the PC-I, letters were issued to state-owned entities (SOEs) on 31st May, 2024 under PPRA Rule 42(f), requesting the submission of pre-qualification bids by 25th June, 2024. An extension was granted until 4th July, 2024. Out of four (04) SOEs, only two (02)- M/s National Construction (NCL) and M/s Railcop- submitted their pre-qualification bids by the extended deadline of 4th July, 2024. Accordingly, the consultant submitted its evaluation report on 30th July, 2024 that both SOEs could not qualify for the required evaluation criteria and recommended that the open competitive bidding process under PPRA Rule 36 (b) SSTE be opted in the best interest of the project.

32. The Board was briefed that an advertisement was published on 03rd August, 2024 for open competitive bidding as per PPRA Rule 36 (b) with the deadline for submission of bids on EPADs as 22nd August, 2024. An extension of time for bid submission was granted and the corrigendum was published on 13th August, 2024 accordingly. The bid security amount was also reduced from Rs. 500 to 300 Million. Tender documents of Kashmir Avenue Apartments were downloaded **by 35 prospective bidders (total 117 downloads)**; however, no bid was submitted by any bidder on the bid submission date.

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E. PROBABLE REASONS OF BIDDERS' LACK OF INTEREST:

33. It was informed that probable reasons for non-participation of bidders in the bidding process are as under:-

i. Performance Guarantee in the shape of insurance through **NICL** only

ii. Mobilization advance was kept as only 5% of the Contract Amount

iii. Credit line limit (Rs.5 Billion) in qualification criterion

F. ALLOTTEES RESPONSE TO THE REVISED APARTMENT PRICES

34. It was further briefed that upon endorsement of revised PC-I amounting to Rs. 33.527 Billion from 33rd Executive Board, consent letters were issued to allottees along with revised payment schedule on 13th June, 2024. The summary of responses received from the allottees as of Oct, 2024, is as under:-

Type	Letter Issued	Opted to Continue	Opted to Refund	Raised Objections on revised payment schedule	Remained Silent
A	714	7 (1%)	50 (7%)	30 (4%)	627 (88%)
B	740	10 (1%)	68 (9%)	18 (3%)	644 (87%)
Total	**1454**	**17 (1%)**	**118 (8%)**	**48 (3%)**	**1271 (87%)**

35. Substantial subsidies (land subsidy amounting to Rs. 20.0 Billion & subsidy from the auction of internal commercial area amounting to Rs. 4.16 Billion) were provided to allottees in order to address their concerns on the revised cost but many opted for a refund.

G. FINANCIAL OUTLOOK OF THE PROJECT:

36. The current financial status of the project is given below:-

Sr No	Type	Revised Cost of Apartment (Rs. Million)	No of Apartments	Net Amount Received	Receivable (Rs. Billion)	Outstanding (Rs. Billion)
1	A	21.108	714	2.683	15,071	12.388
2	B	18.986	753	1.998	14.296	12.298
Total			**1467**	**4.682**	**29.367**	**24.685**

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- **Revised PC-I amount = Rs. 33.527 Billion**
- Internal subsidy amount = Rs. 4.160 Billion
- **Receivable amount from allottees = Rs. 29.367 Billion**
- Net amount deposited by allottees = Rs. 4.682 Billion
- Expenditures made till date = Rs. 2.458 Billion
- **Balance amount available = Rs. 2.224 Billion**

Outstanding receivable from allottees = Rs. 24.685 Billion

H. WAY FORWARD:

37. The Board was informed that a phase-wise tendering approach could be more effective for the project, as tendering the entire project in one phase might limit bidder participation due to its large scale. A phased approach would also help the Authority manage cash flows more efficiently throughout the project. The comparative analysis of single tender & phase-wise tender is tabulated below:-

#	Description	Single Package	Phased Packages
1.	**Bidders' Participation & Response**	Bidders have shown lack of interest and no one participated in the tendering process Limited participation due to large scale of project	Better response from bidders is expected Reduction in bid security, bid amount, performance security and other qualification criteria making it more accessible for a wider range of bidders.
2.	**Financial Benefits**	Available balance as of October 2024 (Rs. 2.224 Billion) is not enough to maintain the project cash flows. 2.2 Billion available in the project account against the required Mobilization Advance amounting to Rs.2.8 Billion (10%)	Conveniently maintains the project cash flows through phase-wise tendering and commencement with 10 % Mobilization Advance:- ▪ Phase-1 (Tower A)- Rs. 8.1 Billion & Mob Advance Rs. 0.81 Billion ▪ Phase-2 (Tower B)- Rs. 9.9 Billion & Mob Advance Rs. 0.99 Billion ▪ Phase-3 (Tower C)- Rs. 10.3 Billion & Mob Advance Rs. 1.03 Billion
3.	**Project/ Supervision Cost**	Project/ Consultant supervision would remain the same	Non-significant increase in the Consultant supervision cost
4.	**Project Duration**	Project may suffer time & cost overrun	Timely project completion through phased packages

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RECOMMENDATION

38. Following approvals are solicited from the Board:-

i. Phase wise resumption of remaining work (Phase-1 (Tower A) = Rs. 8.2 Billion; Phase-2 (Tower B) = Rs. 9.9 Billion; Phase-3 (Tower-C) = Rs. 10.3 Billion)

ii. Performance security may be allowed from NICL as well as from at least AA+ rating from PACRA/JCR

DISCUSSION:

39. The Board was apprised of challenges in the bidding process, noting that the project had been re-tendered twice after NC and RAILCOP were disqualified on technical grounds. Although 117 firms downloaded the tender documents, no bids were submitted. To overcome these obstacles, a phased, tower-wise tendering approach was proposed, which would improve bidder participation, manage cash flows and offer more flexibility in mobilization advances. Additionally, the Board was requested to broaden the performance security options to include AA+-rated entities alongside NICL. MD (PHA-F) suggested a cost-cutting approach while DG PWD proposed allowing allottees to handle apartment finishing, reducing costs and time. However, DG Planning, CDA, cautioned that cost reductions might compromise quality.

DECISION:

40. The Board unanimously approved the recommendations at para 38 above.

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AGENDA NO. 05

Subject: PROGRESS/ UPDATE ON F-14/F-15

BACKGROUND

MEMBERSHIP DRIVE I

41. The Board was apprised that Federal Government Employees Housing Authority (FGEHA) launched **Membership Drive Phase-I** on 28th August, 2009. A significant shift in policy was introduced with this drive, as the previous criterion of allotting plots based on **age-wise seniority** was replaced with the **first-come, first-serve** basis. The drive was widely publicized through advertisements in national newspapers, emphasizing that the membership obtained would remain valid for all future housing schemes offered by FGEHA.

42. The Membership Drive-I drew substantial interest from federal government employees and other specified groups. The drive remained open until 28th February, 2014 when approximately **36,914 members** were registered. Subsequently, the membership drive was reopened from **April to July 2015**, specifically for applicants eligible under the quotas reserved for **disabled persons, journalists, widows, media workers, employees of the Ministry of Housing and Works** and FGEHA. Out of the total of **36,914 members** registered under Phase-I, **3,530 members** requested and received refunds, leaving the final count of registered members at **33,384**.

MEMBERSHIP DRIVE-II

43. It was further informed that following Membership Drive Phase-I, FGEHA introduced **Membership Drive Phase-II** in 2015, which reverted to the **age-wise seniority** criterion for allotments. This shift marked another major policy change and attracted widespread attention from prospective members and over **135,000 members were** registered under this drive. The Authority initiated the acquisition of land for new housing schemes and notifications under **Section 4 of the Land Acquisition Act, 1894**, were issued by the District Collector, Islamabad in 2016 for the acquisition of land in **Sectors F-14 and F-15**, as well as for the **Park Road Housing Scheme**. These schemes were subsequently offered to members registered under Membership Drive Phase-II, creating dissatisfaction among members of Drive-I.

LEGAL DEVELOPMENTS

44. The Board was briefed that the exclusion of Membership Drive-I members from the new schemes led to legal challenges. Eleven members registered under Drive-I filed a Writ Petition No 2233/2016 in the Islamabad High Court (IHC), titled ***Ednan Syed vs. FGEHA***. The petitioners contended that FGEHA's decision to change the allotment policy from first-come,

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first-serve to age-wise seniority violated their legitimate rights under the original promise, **validity for all future schemes**.

45. The single-judge bench of the IHC delivered its judgment, partially allowing the petition. The judgment's **Para 36** ruled that FGEHA was **estopped** from allotting plots in Sectors F-14, F-15, or any other future housing schemes to members who were not registered under Drive-I. This effectively barred the Authority from extending such schemes to Drive-II members. However, the judgment also included **Para 37**, which held that any Drive-I member who refused an offer of allotment in a housing scheme forfeited his right to claim plots in future schemes. Para 44 emphasized that members could not selectively choose their preferred schemes, and a refusal would extinguish their entitlement under the original terms of membership. Both the operative Paras 36 & 37 are reproduced as under:-

Paragraph 36:

The launch of Membership Drive-II by respondent No.1 and the reversion to age-wise seniority as a criteria for the allotment of a plot is, in my view, not unlawful so long as it is given prospective effect and does not operate to the detriment of the members registered under Membership Drive-I. Furthermore, the registered members under Membership Drive-I have a first and superior right to be accommodated in respondent No.1's housing schemes – a scheme is a present reality and not a distant illusion. Since respondent No.1 has taken steps to acquire land in Sectors F-14 & 15, Islamabad, for the development of a housing scheme, plots in the said scheme cannot to be offered to members registered under Membership Drive-II, unless and until the members registered under Membership Drive-I are exhausted. After the launch of Membership Drive-I, respondent No.1 had taken a firm and categoric position that "[o]nly the registe red employees would entertained for the future schemes." Even in Parliament, the position taken by the Government was that "Only the registered employees would be entertained for allotment in all future scheme". This was with reference to Membership Drive-I, and well before the launch of Membership Drive-II. Having taken this position, respondent No.1 is estopped from allotting plots in Sectors F-14 &15 or any other future housing scheme of respondent No.1 to persons other than the members registered under Membership Drive-I, unless such members are all accommodated or they refuse an offer for an allotment in an existing housing scheme of respondent No.1. It is not disputed that all the members registered under Membership Drive-I cannot be accommodated in respondent No.1's housing scheme in Bharakahu.

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Paragraph 37:

Now if a registered member under Membership Drive-I is given an offer of an allotment in respondent No.1's housing scheme, and he refuses that offer (because he wants to be offered a plot in another future housing scheme) forfeits his right to be offered a plot. There is nothing preventing such a member from applying for getting himself registered under Membership Drive-II. Respondent No.1, did not, at any material stage held out a representation or made a promise that a member registered under Membership Drive-I would be given a choice as to which housing scheme he should be offered a plot in.

46. It was further informed that feeling aggrieved by Para 36, FGEHA filed an **Intra-Court Appeal (ICA)** before the divisional bench of the IHC in 2016. The divisional bench, headed by Justice Shoukat Aziz Siddiqui, initially **suspended Para 36**, allowing the Authority to proceed with the allotment and development of Sectors F-14 and F-15 on 28th November, 2016. This suspension provided temporary relief to FGEHA and facilitated its allotments. However, in 2021, the divisional bench was reconstituted, with Justice Athar Minallah and Justice Mohsin Akhtar Kayani presiding the bench. The new bench recalled the suspension of Para 36, rendering it operational again on 13th September, 2021. Furthermore, the divisional bench announced its judgment and declared FGEHA's allotment policy for Sectors F-14, F-15, F-12 and G-12 as **illegal and unconstitutional**.

47. In response, FGEHA filed a **Civil Petition for Leave to Appeal (CPLA)** before the Supreme Court of Pakistan in 2022, challenging the divisional bench's judgment. The case was heard extensively by a special bench headed by Justice Muneeb Akhtar. On **20th November, 2024**, the Supreme Court announced its decision. The apex court ruled that the divisional bench of the IHC had exceeded its jurisdiction by delving into matters that fell within the domain of **Suo Motu** jurisdiction, which was the exclusive prerogative of the Supreme Court. Consequently, the divisional bench's judgment was set aside and the case was **remanded** back to the IHC for fresh adjudication within 90 days. Importantly, the Supreme Court directed the divisional bench to decide the matter on its merits without exceeding the scope of the original prayers.

CURRENT STATUS

48. It was apprised that the case was now pending before the divisional bench of the Islamabad High Court. While the Supreme Court set aside the divisional bench's earlier judgment, the single-judge decision, including Para 36, was operational and continued to restrict FGEHA's ability to allot plots to members of Drive II. This situation posed significant challenges for FGEHA, as the ongoing litigation could impact its development and allotment plans for its

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F-14/15 housing schemes. The Authority's appeal against Para 36 remained active and awaiting a hearing.

RAMIFICATIONS OF SUPREME COURT'S JUDGMENT

EXISTING ALLOTMENTS MADE IN SECTOR F-14/F-15

49. The Board was briefed that the Supreme Court's decision to remand the case to the Islamabad High Court and revival of Para 36 of the single-judge judgment, created uncertainty regarding allotments already made to members of Drive II in Sector F-14 and F-15. The possible ramifications on already allotted plots to Drive II members are as follows:-

i. CATEGORIES EXHAUSTED IN DRIVE I

For categories where the list of members under Drive I had already been exhausted, the allotments to Drive II members were likely to remain unaffected, as there would be no eligible claimants from Drive I for those specific categories. However, this would need to be substantiated through comprehensive records to demonstrate that Drive I members had no remaining claims in those quotas.

ii. CATEGORIES NOT EXHAUSTED IN DRIVE I

For categories where both Drive I and Drive II members had claims, the operational status of Para 36 could potentially affect the allotments made to Drive II members. This was because the judgment stopped FGEHA from allotting plots to Drive II members unless all eligible Drive I members had been fully accommodated. The FGEHA would however seek suspension of para 36 from the Divisional Bench of IHC, and if the application for grant of interim relief would be accepted then the FGEHA would be at liberty to go ahead with its plans.

LAUNCH OF NEW SCHEMES AND OFFERING PLOTS TO DRIVE II MEMBERS (SECTORS F-12 AND G-12)

50. The Board was informed that under the current circumstances, the revived Para 36 of the single-judge judgment posed significant restrictions on FGEHA's ability to launch new schemes and offer plots to Drive II members in Sectors F-12 and G-12, unless all Drive I members would have been accommodated. Allocation of plots to Drive II members without first addressing the liabilities under Drive I could result in further legal claims, potentially halting the allotment process. Again the grant of interim relief from the divisional bench and suspension of para 36 would clear the way for launch of sectors F-12 & G-12.

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51. **STEPS TAKEN BY FGEHA AS WAY FORWARD**

i. It was informed that recognizing the importance of robust legal representation, FGEHA engaged the services of **Mr. Uzair Karamat Bhandari**, Advocate Supreme Court, who successfully argued the case before the Supreme Court and achieved the setting aside of the divisional bench's judgment. Given his familiarity with the case and proven expertise, FGEHA had decided to retain his services for the upcoming hearings before the divisional bench of the IHC.

ii. Following the announcement of the Supreme Court's judgment on 20th November, 2024, the Director General, FGEHA took immediate steps to address the implications of the decision and the Authority's obligations towards members registered under Membership Drive I. A **committee comprising five senior officers of FGEHA** was constituted to thoroughly examine and report on FGEHA's liability concerning Drive-I members. The committee submitted a comprehensive report that provided an encouraging outlook as it was concluded that out of all **registered members** under Drive-I, only **16,556 members** had paid their down payments, indicating a significant proportion of non-participating members. The report further confirmed that FGEHA had already allotted plots to a considerable number of Drive-I members in **Green Enclave-I** and **Commoners Sky Gardens**, substantially reducing the pending liability. Additionally, plots in **Sectors F-12 and G-12** were planned, which would further contribute to accommodating the remaining members. The existing liability requiring immediate resolution had been estimated at **5,422 members** who were yet to be accommodated.

iii. In an effort to settle this liability and provide a solution, FGEHA approached the **Defence Housing Authority (DHA)** with a formal request for the provision of **10,000 plots** in the **DHA Gandhara Housing Scheme** to offer Drive-I members. In response, DHA, through its letter dated **22nd November, 2024** confirmed its commitment to provide a **substantial number of plots in various categories** to FGEHA during the initial phase, with more plots to follow in its extension projects. This assurance from DHA marked a significant development and provided a practical way forward to adjust the remaining eligible members registered under Drive-I.

iv. The Board was apprised of the importance of **Para 37 of the single-judge judgment** of the Islamabad High Court, which held that Drive I members who refuse an offer of allotment in any housing scheme automatically forfeit their right to claim plots in future

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schemes and that members cannot selectively choose schemes as per their preference. The allocation of plots through DHA Gandhara Housing Scheme, combined with the ongoing efforts for alternate joint ventures would address the pending liability. These measures would provide a basis to achieve a favorable outcome in the **Intra-Court Appeal (ICA)** currently pending before the divisional bench of the Islamabad High Court. By demonstrating that the majority of members registered under Drive-I had been accommodated or offered viable alternatives, FGEHA would strengthen its case, thereby resolving the longstanding issue comprehensively.

DISCUSSION:

52. The Legal Counsel of FGEHA briefed the Board on the case details, its implications, and the proposed strategy. The Board commended the proactive efforts of the legal team and FGEHA for pursuing an early resolution.

53. Regarding infrastructure development progress, the Director Technical informed the Board that approximately 2,500 Kanal of land was handed over to M/s FWO in January, 2023 with only 5% of work completed before halting in February, 2024. In response, FGEHA took following measures:-

- Issued a notice to FWO on 18th March, 2024 regarding slow progress and work resumption.
- Constituted a committee on 28th March, 2024 to devise a resumption strategy.
- Held meetings with FWO on 3rd April & 3rd May, 2024 during which a position paper and BOQ details were exchanged.
- Shared a land handing-over plan with FWO on 21st May, 2024.

54. Despite these efforts, M/s FWO served a unilateral termination notice in October 2024. The Board was informed that a committee was constituted to recommend a viable solution. The composition of the committee is under:-

i.	Chief Engineer, FGEHA	Member
ii.	Director (Estate), FGEHA	Member
iii.	Director (Technical), FGEHA	Member
iv.	Lt (C) Usman Saeed (PM), FWP	Member
v.	Mr. Nauman Javaid, Senior Manager, FWO	Member
vi.	Project Director, FGEHA	Secretary

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successful negotiation with M/s TEC Education Foundation, a revised price of Rs. 2001/Sq.Yds was agreed upon with the condition to shift the location of the school plot from 100 ft to 200 ft.

65. Upon request of PD Karachi, the then Competent Authority, i.e., City District Government Karachi, (Master Plan Group of Offices), granted NOC to switch the location of the school from 100 feet wide road to 200 feet wide road vide letter No. URP-100-SB/MPEC/VI/22/L dated 11th January, 2011. Upon non-submission of the bid amount, the allotment of the ibid plot was cancelled on 4th February, 2011 and upon the request of the owner, the Executive Committee of FGEHF in its 122nd meeting held on 19th July, 2012 restored the allotment. Later, PD Karachi issued the site plan to M/S TEC Education Foundation as per old layout plan (School plot on 100 feet wide Road). Grieving upon which, M/S TEC foundation requested the Executive Committee of the Housing Foundation to reconsider the site plan. However, the Executive Committee of the Housing Foundation in its 132nd meeting dated 8th January, 2015 denied the request of the M/S TEC Foundation. The request was once again placed in 6th Executive Board meeting of FGEHA on 9th January, 2020 which was again denied.

66. It was informed that record of the minutes of Executive Committee and Executive Board revealed that NOC granted by KDA, Master Plan Group of Offices as mentioned in Para 65 was not brought into the notice of the Board. As per NOC, the location of school plot had already been changed from 100 ft wide road to 200 ft wide road by the then competent authority.

RECOMMENDATION

67. The Board was requested to reconsider earlier decisions regarding the plot in 132nd meeting of Executive Committee and 6th meeting of the Board held on 8th January, 2015 & 9th January, 2020 respectively; and allow FGEHA to issue the site plan as per revised LOP/NOC already issued by the City District Government Karachi, Master Plan Group of Offices vide letter No. URP-100-SB/MPEC/VI/22/L dated 11th January, 2011.

DISCUSSION:

68. Director Planning provided a detailed historical account of the case, explaining that the plot was auctioned in 2008 through a sealed bidding process. Although three bids were received, all were rejected for being too low. Subsequently, M/s TEC Education Foundation submitted a revised offer of Rs. 2001/SQY, which was accepted. At the request of PD Karachi, the competent authority at the time issued a No Objection Certificate (NOC) allowing the location to be changed from 100 feet to 200 feet. However, in subsequent reviews during the

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132nd and 6th meetings of the Executive Committee and Board respectively, the request of TEC Foundation was rejected.

69. The Secretary, Housing & Works, raised concerns about why the matter was being reconsidered after such a long lapse, especially since it had been rejected twice by the Board. Director Planning clarified that the concealment of critical facts, including the NOC from KDA, by the PD Karachi Office during earlier discussions had led to an incomplete presentation of the case. Responding to these concerns, the Senior Draftsman from the Law & Justice Division explained that since the full payment for the plot had been made, the depositor's rights had accrued. MD (PHA-F) supported the stance, noting that while the matter had been overlooked earlier, it is prudent to address and rectify it at this stage.

70. The Board also allowed the aggrieved to present her case. Responding to questions about not seeking legal recourse, she explained that while it was her right, she avoided doing so due to the complexity and lengthy nature of legal proceedings. The Board emphasized that the discussion underscored the need for a thorough and transparent outcome, ensuring that the depositor's rights are safeguarded alongside the procedural integrity of FGEHA.

DECISION:

71. The Board constituted following committee to review the case comprehensively and present a detailed report in the next meeting, incorporating all relevant facts, analysis of records, re-verification of the NOC from KDA, and other pertinent documents.

1.	Director (Finance)	Chairman
2.	Director (Law)	Member
3.	Director (Planning)	Member
4.	PD (Karachi)	Member

AGENDA NO. 08

Subject: DISPOSAL OF PUBLIC BUILDING PLOTS THROUGH JOINT VENTURE

INTRODUCTION

72. It was apprised that Federal Government Employees Housing Authority (FGEHA) was established through an act of Parliament Act No. IV of 2020 dated 15th January, 2020 and is working under the umbrella of the Ministry of Housing and Works to provide affordable residential facilities to the Federal Government employees and other

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specified groups, on a no-profit no-loss basis. During the planning of specified areas of FGEHA, a large number of allied uses/plots came to the fore in addition to residential and commercial plots including educational (school and colleges), community halls, health club and other public uses. The recent compilation of such plots revealed that the following categories of plots were available which could be utilized/ disposed of for sustainable revenue generation. The initial list of such plots along with their location and plot sizes is listed in the table below:-

#	Category	Location	Plot Size Sq.Yd
01	School Plot	Sub Sector G-14/2, Islamabad	5251
02	College Plot	Sub Sector G-14/2, Islamabad	9571
03	Community Centre	G 13 Mauve Area, Islamabad	6825
04	Itwar Bazar	Green Belt between G-14/3 and G-13/2	Varies
05	School Plot	Sector 25-B, Scheme 33, Karachi	1361
06	School Plot	Sector 4-C, Scheme 33, Karachi	1222
07	Health Club	Sector 4-C, Scheme 33, Karachi	2000
08	Community Hall	Sector 25-B, Scheme 33, Karachi	1066

73. It was further informed that, as per prevalent practice, school and college plots in Islamabad were handed over to Federal Directorate of Education on CDA specified rates for construction of educational institutes. Whereas, community halls and health/fitness clubs were developed by the authority through its own resources. As a result, there wass a mushroom growth of private educational institutions within residential premises. Hence there was a need of some plots to be offered to private sector.

74. The Board was apprised that FGEHA was facing financial deficits and disposal of above referred plots through Joint Venture under revenue sharing model would be one of the options where FGEHA could generate revenue on sustainable basis.

75. In this regard it was proposed that the afore-listed plots may be allowed to offer on Joint Venture basis under revenue sharing model through Expression of Interest (EOI).

RECOMMENDATION

76. Approval was solicited from the Executive Board to initiate the process for the EOI to dispose of the said plots through Joint Venture under revenue sharing model.

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DISCUSSION:

77. The Board was informed that the proposed buildings, intended for public use, could be developed through a Joint Venture (JV) under a revenue-sharing model to ensure the Authority's financial sustainability. The Secretary (Housing & Works) inquired whether the school and college plots had been offered to the Federal Directorate of Education (FDE). Director (Planning) clarified that the plots were not offered to FDE, and while several FDE schools operate in FGEHA sectors, there was significant demand to allocate some plots to the private sector. It was also highlighted that section 5(2) (f) of the FGEHA Act, 2020 empowered the Executive Board to lease, sell, or otherwise manage any property vested in the Authority. The Board further inquired about the proposed location of Itwar Bazaar in sectors G-13 and G-14. It was clarified that the site was planned within the green belt between the two sectors. Concerned about the suitability of this location, the Board decided against the proposal and directed that alternative land, aligned with proper land-use standards, be identified for the purpose.

DECISION:

78. The Board approved the initiation of the Expression of Interest (EOI) process for the disposal of above-mentioned plots, **para 72** above, through a Joint Venture under a revenue-sharing model. Furthermore, the Board directed that a suitable location be identified for the establishment of Itwar Bazar, ensuring compliance with CDA's land use regulations and ensuring accessibility.

AGENDA NO. 09

Subject: **COMPLIANCE OF ISLAMABAD HIGH COURT ISLAMABAD ORDER DATED 20-11-2024 FOR ALLOTMENT OF PLOTS TO THE ICT EMPLOYEES.**

79. The Board was apprised that Phase-IV Housing Scheme, i.e., sector G-14/1,2&3 was launched in 2003 and 5% quota was earmarked for the constitutional and professional bodies on parity basis. The details of professional bodies are as under:-

PROFESSIONAL BODIES

a. Judges of Civil Courts Islamabad
b. **Employees of Office of the District Collector Islamabad (ICT)**
c. Employees of Housing Foundation

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d. Law Officers of the Federation posted in the High Court Rawalpindi Bench & Supreme Court, Islamabad

e. Members of the Islamabad District Courts Bar Association

80. The eligibility criteria for allotment of plots was placed before the Executive Committee of Housing Foundation in its 78th meeting held on 11th March, 2005. The Executive Committee decided that these quotas were to be placed with respective institutions for dispensation according to the eligibility criteria which was devised as under:-

i. The applicant must apply on prescribed proforma within cut-off date, i.e., 15th November, 2003 of the phase-IV housing scheme

ii. Available plots in each category shall be allotted on age-wise seniority among the valid applicants

iii. Allotment shall be further subject to the verification of service particulars of applicant from the respective parent department

iv. Only regular employment with regular pay scale shall be considered for size & allotment of the plot. Contract, selection grade or move over etc. shall not confer right of allotment or higher category of the plot

81. In compliance with the decision of Executive Board, a list of all applicants who applied under the ICT quota was forwarded to the office the Chief Commissioner vide letter No. F. 11(25)/2004-HF/E-IV dated 09th October, 2004 where the following plot position was conveyed:-

Sr. No.	Category	No. of Plots
1.	Cat-I	01 Nos.
2.	Cat-II	05 Nos.
3.	Cat-III	14 Nos.
4.	Cat-IV	18 Nos.
5.	Cat-V	20 Nos.
Total		**58 Nos.**

82. It was further informed that in response to the FGEHF letter dated 9th October, 2004, the Chief Commissioner's office, through a letter dated 31st January, 2005 forwarded a list of 44 applicants from various categories to the FGEHA for allotment of plots. It was also conveyed that 14 out of total 58 plots would be reserved for ICT Police. Plots were subsequently allotted in accordance with recommendations provided by the ICT administration.

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83. Some employees of ICT administration filed Writ Petition No. 674/2005 in Lahore High Court, Rawalpindi Bench, in a case titled Mumtaz Ali Vs. Chief Commissioner ICT. Petitioners challenged that recommendations of ICT administration were not based on merit. Petitioners contended that the broader criterion of age-wise seniority, which was applied to all other quotas in Phase-IV Housing Scheme, was not followed. Instead, they argued that the office of Chief Commissioner arbitrarily recommended names, infringing their rights by prioritizing employees junior to them. Additionally, they claimed that individuals, including officials from the Islamabad police, were considered for allotments under ICT quota, which, according to them, did not align with the definition of "District Collector." The inclusion of these officials adversely affected rights of District Collector employees, causing their names to be relegated to the bottom of the list.

84. The aforementioned writ petition was disposed of with the directions to re-examine the cases regarding the allotment of plots under ICT quota. In compliance with the decision of the Lahore High Court, the Chief Commissioner constituted a committee to re-examine the cases and submit a report. Based on committee's findings, the office of Chief Commissioner submitted a revised list to FGEHA for disposal of plots under ICT quota. FGEHA implemented recommendations of Chief Commissioner's office. Feeling aggrieved by the revised recommendations, several writ petitions were filed in the Islamabad High Court. The petitioners sought the intervention of the Honorable Court, alleging that their legitimate rights had been violated. They contended that the recommendations once again accommodated employees in contravention with the age-wise seniority criterion, which was applicable for allotments. While the majority of the petitioners' claims were resolved during the pendency of the litigation, four petitions remained active.

85. It was informed that on 20th November, 2024, during the hearing of these writ petitions, the Honorable Islamabad High Court directed the Executive Board of FGEHA to consider the cases of the petitioners and issue a reasonable order. The operative part of the court's order is reproduced as follows.

> **"To see if the matter can be amicably resolved, let the petitioners appear before the Executive Committee of FGEHA on 05.12.2024 at 11:00 a.m. Let the Executive Committee of FGEHA consider the cases of the petitioners and pass a reasoned order with a view to accommodating them according to provisions of the Islamabad Housing Scheme Phase-IV. Let the matter be fixed on 19.12.2024 for the parties to inform the Court of the outcome of the meeting. In the event that no such resolution is forthcoming, prior to the next date of hearing let FGEHA file complete lists of all allotments made to Federal Government employees under various schemes by**

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FGEHA as well as its predecessor FGEHF since 2005. Such lists will categorize the beneficiaries and the relevant scheme under which such benefits have been granted in the form of a paper book. The report will also identify the relevant public officials, including Chief Commissioners, on whose recommendations each set of allotments were made".

CREDENTIALS OF THE PETITIONERS

#	Name	Category	Date of birth	Date of birth of last applicant who was allotted a plot
1.	Mr. Sharafat Ali	IV	15-09-1961	10-04-1959 (ICT) 08-01-1969 (Islamabad Police)
2.	Mr. Muhammad Israr	V	06-03-1948	01-07-1963
3.	Mr. Muhammad Rafi	V	22-06-1952	01-07-1963
4.	Mr. Zulfiqar Khan	V	12-04-1956	01-07-1963

86. The table mentioned above indicated that employees junior to them were allotted plots resulting in infringement of their rights. It was also noted that FGEHA relied solely on the recommendations of Chief Commissioner, Islamabad while the Chief Commissioner's office prima facie did not consider the broader policy of age-wise seniority, which was the prevailing criterion for plot allotment in the Phase-IV Housing Scheme.

RECOMMENDATION

87. The matter was placed before the Executive Board in compliance with the order of Islamabad High Court dated 20th November, 2024 for decision.

DISCUSSION:

88. The Director Law briefed the Board on the directions issued by the Islamabad High Court, which referred the cases of petitioners to the Executive Board for exploring possibilities of an amicable resolution. An anomaly was highlighted in the allotment process within the quota reserved for the office of the District Collector, Islamabad. Despite the prevailing criterion of age-wise seniority, the office of Chief Commissioner referred employees in a manner that prima facie did not adhere to this criterion, resulting in the overlooking of senior employees and infringing upon their rights. As a result, petitioners, who were senior in age, were deprived of their rightful allotments and filed writ petitions in the Islamabad High Court. The Board was also informed that FGEHA had solely relied on the recommendations provided by

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the ICT, which led to the current dispute. The Board also provided the petitioners an opportu... for a hearing, during which their concerns were considered in the resolution process.

DECISION:

89. The Board after detailed deliberations directed FGEHA and its Planning Wing to explore the possibility of adjusting the petitioners in Phase-IV housing scheme of FGEHA Islamabad or in similar project to resolve the dispute conclusively.

AGENDA NO. 10

Subject: PROGRESS REPORT ON M/S EHFPRO (PRIVATE) LIMITED

90. The Board was apprised that a Joint Venture Agreement (JVA) was executed between FGEHA (erstwhile FGEHF) and Progressive Motels and Resorts Pvt Ltd on 19th March, 2010. An apartment project was envisaged as a result of the JVA which was to be executed by a 'Joint Venture Company' (SPV) by the name of EHFPRO Pvt Ltd, whereby FGEHF would provide the land and successful bidder would provide financing, undertake marketing and construction upon the said land (the Project). Clause 3.1 of the JVA mandated FGEHF to provide land to the JVC for construction of residential apartments.

91. Clause 2 of the JVA encapsulated the incorporation of a private limited company. The company, i.e., EHFPRO has 'Authorized Share Capital' of Rs. 200,000/- and an issued 'Share Capital' of Rs. 200,000/- of which 50% are subscribed by FGEHF (Party-1), and 50% by the JV Partner, i.e., Progressive Motels and Resorts Pvt Ltd. The Board consists of two (2) FGEHF (FGEHA) Directors (including the Chairman) and two (2) Directors from Progressive Motels (including the CEO). The day-to-day management, administration and supervision of the project is undertaken by the BOD. The JVA and Memorandum and Articles provide that the composition of the BOD shall be not less than four (4).

92. It was further informed that the JVC and FGEHF entered an agreement incorporating terms and conditions upon which FGEHF would provide the land for the project on 19th August, 2010 (the "Land Agreement"). The land price payable under Clause 2.4 was firstly reduced from 1.87 to 1.15 Billion and thereafter was further reduced to 37 Million. The project, i.e., lifestyle Residency Project was initially launched in 2010 in sector G-13 Islamabad on an area measuring 15.37 Acres. Under this project, as many as 289 Type 'A' (2050 Sq ft), 374 Type 'B' (1750 Sq ft), 1148 Type 'C' (1350 Sq ft), 961 Type 'D (1150 Sq Ft) and 468 Type 'E' (950 Sq Ft) apartments were required to be constructed.

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93. The project was revived and re-launched in July 2016. Following the approval of building plans by CDA on 23rd August, 2017, contractors were selected and resources mobilized at the site. Construction work officially commenced in September, 2017 with an expected completion timeline set for the last quarter of 2020. However, the project remained stalled, and work was still incomplete to date.

ANALYSIS OF MS EHFPRO

94. It was apprised that following key issues were identified while analysing the affairs of M/s EHFPRO:

i. The purpose of the joint venture was no longer viable. The agreed 50-50 percent profit-sharing arrangement became irrelevant as the entire investment brought in by the JV partner had been withdrawn leaving the project to incur significant losses. Contrary to the intended purpose of the original agreement, the JV partner had effectively assumed the role of management partner. The original agreement made the JV partner responsible for financing, designing, engineering, construction, supervision and marketing but he had failed to fulfil these obligations.

ii. The project cost had escalated significantly because of delays. The project was required to be completed in four years but was stagnant despite a lapse of more than 04 years. This delay caused severe harm to FGEHA and its members who continue to suffer. Meanwhile, the JV partner benefitted financially due to the management fee, set at 4% of the project cost, increasing proportionately with cost escalations.

iii. FGEHA had injected approximately Rs. 2 billion through bridge financing, whereas the JV partner failed to contribute any additional funds, demonstrating a lack of interest. The injected amount remained unrecovered, and there was no clear timeline for its repayment.

iv. The project had been delayed for 04 years. The JV partner further exacerbated the situation by terminating the contractor's contract and engaging in disputes with the consultant.

v. Instead of presenting viable solutions to expedite project completion, the JV partner had focused on irrelevant issues, such as changing the CEO and

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transferring shares. These actions were not only detrimental to FGEHA interests but also violated the provisions of the main JV agreement.

vi. Despite multiple opportunities extended by the Director General and Director Finance in 56th, 57th, and 58th meetings of the EHFPRO Board, the JV partner failed to propose a viable plan to complete the project. Efforts were wasted on internal issues rather than addressing the core challenges of project development.

vii. To date, only 70% physical progress and 68% financial progress was achieved. The liabilities associated with the project stood at Rs. 46 billion.

95. BREACHES IN JV AGREEMENT:

i. The JVC EHFPRO was formed for the purpose of the project whereby the Progressive was responsible for financing, designing, engineering, construction, supervision, marketing and sale of residential apartments whereas the JV partner was in flagrant violation and breach of its commitments & obligations enshrined in the JV Agreement.

ii. **Clause 9.2** provided that the construction timeline shall be 48 Months after the formal launch of the project. The purpose and object of the JV Agreement stood defeated as the project had been delayed for more than 04 years and remained incomplete to date. The JV Partner breached Clause 09 of the JV Agreement.

iii. **Clause 9.3** provided that in case construction of the project was delayed beyond the period referred to in Clause 9.2 due to reasons solely attributable to Progressive Party, the Party shall be liable to pay a penalty of 1% per month, however the maximum cap of 3% of the project cost of the incomplete construction work. This clause also lost its efficacy in the present circumstances.

iv. **Clause 13** which barred the transfer of any shares, had been violated by the JV Partner.

v. JV Partner breached the **Clause 14.1** which provided that no party shall purport to assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under this agreement nor grant, declare, create or dispose of any right of interest therein.

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96. **RELEVANT CLAUSES OF CONTRACT ACT**

i. **Section 37** of the Contract Act, 1897 required that parties to contract must perform their respective promises unless such performance was dispensed with or excused, which was not the case in the instant matter.

ii. **Section 39** of the Contract Act, 1897 mandated that when a party to a contract had refused to perform or disabled himself from performing the promise, (FGEHA) may put an end to the Contract.

WAY FORWARD

97. Given the current situation, the following two options were placed before the Executive Board for its decision:-

i. Remain in the current JV arrangement, however the same would perpetuate the ongoing stalemate and result in escalating liability & no foreseeable resolution as the JV partner has shown no effective interest in moving the project forward.

OR

ii. Exit the JV and undertake the project independently through appropriate means such as independent tendering or other methods as deemed appropriate by the Executive Board. The process to walk out of the arrangement would be as follows:-

a. The Board may resolve to give notice to the JV Partner as to why the JV agreement may not be discontinued/terminated on account of the flagrant violation of the JV Agreement by the JV Partner relating to

- **i.** Time of performance
- **ii.** Breach of financial obligations
- **iii.** Breach of mentioned Clauses of JV Agreement
- **iv.** Misappropriation & other acts, requiring it to satisfy the Board.

b. After providing a hearing to the JV Partner, the JV Agreement be terminated and the project be resumed in favour of FGEHA.

c. An Audit be conducted of the whole project to determine the extent of losses and liabilities due from the JV Partner to FGEHA.

d. Winding up of the JVC EHFPRO Pvt Ltd be initiated.

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RECOMMENDATION

98. The matter was placed before the Board, as detailed in para 97 above, for a decision on whether to remain in the current JV arrangement or exit it in favour of independently executing the project.

DISCUSSION:

99. The Board was apprised of efforts made to revive the Lifestyle Residency Project, which remained stalled since 2021. It was highlighted that during 56th, 57th and 58th meetings of the EHFPRO Board, there was a strong emphasis on developing a concrete plan to restart the project. However, despite these efforts, the JV Partner had failed to present any plan, let alone a viable one, or take any meaningful steps to address the ongoing delays.

ISSUES WITH THE JV PARTNER AND THEIR RESPONSIBILITIES:-

100. The Board was informed about JV Partner's non-compliance with the terms of the JVA and flagrant violations. Initially, the JV Partner was responsible for financing, designing, engineering, construction, supervision, and marketing of the project. However, the JV Partner had withdrawn his investment, fundamentally altering the dynamics of the agreement. The withdrawal of investment, coupled with the JV Partner's shift to a primarily managerial role instead of fulfilling its operational responsibilities, marked a significant deviation from the original intent of the agreement. Despite the financial support of Rs. 2 Billion from FGEHA through bridge financing, the JV Partner had failed to inject any additional funds into the project. This lack of contribution reflected a waning interest in completing the project.

101. The Board was informed of internal conflicts within JV Partner's management, including disputes over the CEO's position, shareholding, and directorship. These issues, although unrelated to FGEHA's interests, contributed to project's stagnation, leaving it stalled and incomplete for over 04 years. It was highlighted that instead of addressing critical issues of the project, the JV Partner focused on leadership changes and shareholding transfers, which not only contradicted the JV Agreement but also led to mismanagement and further delays.

102. The Board was further informed of the project's dire financial and physical state. To date, the Lifestyle Residency Project had achieved only 70% physical progress and 68% financial progress, despite the passage of 04 years since its launch. Additionally, the overall financial liabilities associated with the project had escalated to Rs. 46 billion. The prolonged delay in project completion had resulted in severe financial losses for FGEHA, further exacerbating the burden on the organization. A review of JV Partner' performance revealed that they no longer have a stake in the project due to the withdrawal of their investment. Furthermore,

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their disputes with the contractor, whose construction agreement had been terminated, and with the consultant caused additional financial and administrative challenges.

The Board observed multiple breaches of the JVA by the JV Partner. These breaches included:-

- **Failure to fulfil financial obligations:** The JV Partner withdrew its initial investment and failed to provide further financial support, leaving FGEHA to cover the project's costs.
- **Inadequate Management of Responsibilities:** The JV Partner, responsible for financing, engineering, construction, and marketing, failed to meet these obligations.
- **Breach of Key Clauses:** Several clauses of the JVA had been violated, including those related to the construction timeline, financial commitments, and restrictions on share transfers. The most significant violation pertained to the construction timeline, with the project remaining incomplete after 04 years, far exceeding the agreed-upon timeframe of 48 months.

103. The Board acknowledged the severe impact of these breaches on FGEHA's interests, including substantial financial losses, administrative difficulties, and reputational damage. In light of the clear violations of the agreement, the Board raised concerns about the continued viability of the joint venture.

DECISION:

104. After thorough review of the situation, the Board unanimously resolved the following:-

1. **Resolution 1:** The Board agreed that the existing JV Agreement had lost its efficacy and had resulted in an operational deadlock, primarily due to JV Partner's flagrant violations of the letter, spirit and intent of the JV Agreement, which is not limited to, the withdrawal of funds, breach of obligations as the implementing partner and failure to meet their contractual obligations.
2. **Resolution 2:** The Board directed FGEHA to invoke the relevant clauses of the JVA to initiate the process of exiting the agreement. A formal notice shall be served by FGEHA to the JV Partner progressive M&R Pvt Ltd, citing breaches of JV Agreement, including failure to fulfil financial obligations, withdrawal of investment, and delays in project completion. The JV Partner would be given an opportunity to respond in line with principles of natural justice.

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3. **Resolution 3:** The Board resolved to conduct an independent audit of project's financial losses to assess the extent of damages and hold JV Partner accountable for any liabilities owed to FGEHA.

4. **Resolution 4:** The Board agreed to approach the Securities and Exchange Commission of Pakistan (SECP) to begin the process of winding up the JV company, M/s EHFPRO Pvt Ltd, in accordance with legal and regulatory requirements.

5. **Resolution 5:** The Board emphasized the importance of timely action to safeguard the interests of FGEHA and its members. Alternative methods, such as independent tendering, should be explored to ensure successful and timely completion of the Lifestyle Residency Project.

The meeting ended with the vote of thanks.

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(Annex-I)

Progress on Decisions of 36th Executive Board Meeting

AGENDA ITEM / DECISION	IMPLEMENTATION STATUS
Agenda Item No. 3: Approval from Executive Board of FGEHA for the following: - **A)** Brochure/ revised terms and conditions for the auction of commercial plots of FGEHA in Islamabad. **Decision:** The Executive Board, FGEHA unanimously accorded approval of the brochure for the upcoming auction including the revised / terms and conditions for adoption by the FGEHA. **B)** Auction of commercial plots / properties of various categories / sizes located in sectors 24- B, 25- B, 19-C and 4-C, scheme 33 at Gulzar-e-Hijri, Karachi **Decision:** The Executive Board FGEHA unanimously accorded approval to the recommendations. The Auction Committee was also directed to examine the market pulse, appetite & trend and accordingly design/ chalk out a comprehensive plan in order to make the auction successful.	Placed vide Agenda No. 3 for endorsement / approval. Auction Committee visited the site on 28th & 29th November, 2024 in Karachi and proposed the tentative dates of auction, i.e., 23rd & 24th December, 2024. The Committee finalized the following Inventory for auction:- • **21** out of 24 commercial shops • **18** out of 35 commercial plots • One petrol pump, commercial plot

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Agenda Item No. 4: Claim of remaining plots to be provided by CDA to FGEHA for allotment to federal government employees in sector I-8 and 10% under Islamabad land disposal regulations (ildr-2005). **Decision:** The Board directed to convey Chairman, CDA in writing that, in future, to either attend Board meetings of FGEHA in person or ensure appropriate representation by assigning a responsible, relevant and well-versed office-holder. Further, the Board constituted the following committee to probe into the matter and present the report in the next Board meeting, **i.** Additional Secretary, (H&W) **ii.** Sr. Joint Secretary (H&W) **iii.** Sr. Joint Secretary (Expenditure) **iv.** Member (Estate), CDA **v.** Director (Estate), FGEHA **vi.** Director (Law), FGEHA **vii.** Director (I.T.), FGEHA	Committee notified through circular no. F. No. 3(Circular)/DS/2024-HA dated: ***28th November, 2024*** for further proceedings.

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LIST OF PARTICIPANTS OF
37TH EXECUTIVE BOARD MEETING OF FGEHA
HELD ON 08th OCTOBER 2024

S No.	Name & Designation
1.	**MIAN RIAZ HUSSAIN PIRZADA** Federal Minister Housing & Works, Islamabad
2.	**DR. SHAHZAD KHAN BANGASH** Secretary, M/o Housing & Works, Islamabad
3.	**MR. ALAMGIR AHMED KHAN** Additional Secretary M/o Housing & Works, Islamabad.
4.	**MR. MUHAMMAD ISRAR** Senior Draftsman, Law & Justice Division, Islamabad
5.	**CH. MUHAMMAD ANWAR HUSSAIN** Senior Chief (Technical/PP&H), Planning Commission, Islamabad
6.	**MR. SAAD FAAZIL ABBASI,** Sr. 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 RASHEED,** Director General, Pak PWD, Islamabad
10.	**MR. MUHAMMAD ALI RANDHAWA,** Chairman CDA, Islamabad
11.	**CAPT. (R) MUHAMMAD ZAFAR IQBAL,** Director General, FGE Housing Authority Islamabad
12.	**COL. (R) IMTIAZ-UL-HAQ KHATTAK,** Chief Engineer, FGEHA, Islamabad
13.	**MR. MUHAMMAD ASHFAQ GHUMMAN** (Co-opted Member) Sr. Joint Secretary, M/o Housing & Works, Islamabad
14.	**MR. MUHAMMAD ADNAN DAYAR** (Co-opted Member) Joint Secretary (Estate) M/o Housing & Works, Islamabad

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