



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

**Subject: MINUTES OF 38TH MEETING OF EXECUTIVE BOARD OF THE
FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY
HELD ON 03RD FEBRUARY 2025**

38th meeting of the Executive Board (EB) of Federal Government Employees Housing Authority (FGEHA) was convened on 03rd February, 2025 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 meeting commenced with the recitation from the Holy Quran. At the outset, the Chair welcomed participants. List of participants is enclosed.

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

AGENDA NO. 01

[Signature]
**Subject: CONFIRMATION OF THE MINUTES OF 37TH EXECUTIVE BOARD
MEETING OF FGE HOUSING AUTHORITY HELD ON
05TH DECEMBER 2024**

4. Director General, FGE Housing Authority briefed members of the Board that minutes of 37th Board meeting were circulated on 16th December, 2024 and till date, no reservation had been received from any member of the Board.

DECISION

5. **The Executive Board confirmed minutes of 37th Executive Board meeting.**

AGENDA NO. 02

Subject: PROGRESS ON THE DECISIONS OF 37TH EXECUTIVE BOARD MEETING

6. The Board was briefed in detail on progress of decisions of 37th Executive Board meeting. Discussion on progress of F-14/15 is presented below, EHFPRO project is presented as **Agenda no.7** and progress report of remaining decisions is enclosed as **Annex-I**.

7. The Board expressed its satisfaction with the progress on decisions of 37th Board meeting.

Progress/ update on F-14/F-15

8. In compliance with the decision of 37th Board, Chairman Committee, Chief Engineer, FGEHA presented the report on F-14/F-15. The Board was informed that despite both parties' willingness, no significant progress had been achieved. Committee proposed contract closure with M/S FWO, recommending it for the Board's consideration. Key recommendations included an amicable settlement to prevent delays, formalization of contract to invoke relevant provisions and finalization of costs and deliverables through mutual agreement.

9. The Board deliberated on legal implications of post-signing of contract, advance mobilization payments before formal signing and validity of contract. Chief Engineer, FGEHA clarified that issuance of acceptance and commencement letters had established contractual obligations. Director Law, FGEHA affirmed the existence of an **implied contract**, despite absence of formal execution. DG PWD stressed that signing of contract was essential to invoke necessary clauses for way forward of project and establish a clear legal framework. Member, Law and Justice Division, affirmed that backdated execution is legally permissible provided it benefits the organization and does not impose any undue liabilities.

DECISION

10. The Board approved the Committee's recommendations and directed that post-signing execution and amicable settlement be carried out in a manner that is beneficial to the organization and in public interest. The Board further directed the inclusion of Director Law, FGEHA in the Committee and instructed that the agenda be presented before the Board for review.


AGENDA NO. 03

Subject: APPROVAL FROM EXECUTIVE BOARD FOR THE FOLLOWINGS:-

A ENDORSEMENT / APPROVAL OF AUCTION RESULTS OF AUCTION CONDUCTED ON 23RD & 24TH DECEMBER, 2024 FOR COMMERCIAL SHOPS AND PLOTS INCLUDING FUEL STATION PLOT LOCATED IN SECTOR 24-B, 4-C & 25-B, SCHEME-33, GULZAR-E-HIJRI, KARACHI

11. The Board was informed that consequent upon approval of the Board in its 36th and 37th meetings, FGEHA convened a two-day open auction at Saleem-uz-Zaman Siddiqui auditorium, ICCB, university of Karachi on 23rd and 24th December, 2024 and an overwhelming response of investors was received. Auction Committee offered 21 commercial shops, 18 commercial plots and a fuel station plot for auction. Summary of 28 sold-out commercial plots/shops along with starting price and the highest/offered bid price is tabulated below:-

Commercial Plots



#	Location	Plot no.	Area Sq. Yds	Reserve price PSY (Rs.)	Highest bid PSY (Rs.)	Total Amount (Rs.)
1	Sector 25-B	Fuel Station	926.67	200000	480,000	444,801,600/-
2		1	118.51	140000	165,000	19,554,150/-
3		2	118.51	100000	115,000	13,628,650/-
4		3	118.51	120000	140,000	16,591,400/-
5		4	118.51	120000	185,000	21,924,350/-
6		5	118.51	100000	245,000	29,034,950/-
7		6	118.51	200000	535,000	63,402,850/-
8		7	118.51	200000	610,000	72,291,100/-
9		8	118.51	100000	290,000	34,367,900/-
10		9	118.51	120000	270,000	31,997,700/-
11		10	118.51	120000	250,000	29,627,500/-
12		11	118.51	100000	200,000	23,702,000/-
13		12	118.51	140000	240,000	28,442,400/-
14	Sector 4-C	1	200.00	130000	210,000	42,000,000/-
15	4-C	5	200.00	130000	245,000	49,000,000/-
Total Amount						920,366,550/-

Commercial Shops Sector 24-B

#	Shop No.	Area SFT	Reserve Price PSF (RS.)	Highest bid PSF (Rs.)	Total Amount (Rs.)
1.	1	345.87	38400	46,000	15,910,020/-
2.	2	283.61	38400	46,000	13,046,060/-
3.	3	345.87	38400	44,000	15,218,280/-
4.	4	345.87	38400	44,000	15,218,280/-
5.	5	283.61	38400	46,000	13,046,060/-
6.	6	283.61	38400	44,000	12,478,840/-
7.	7	345.27	38400	46,000	15,882,420/-
8.	8	345.27	38,400	44,000	15,191,880/-
9.	11	345.87	38400	48,000	16,601,760/-
10.	12	345.87	38400	50,000	17,293,500/-
11.	13	283.61	38400	50,000	14,180,500/-
12.	14	408.13	38400	60,000	24,487,800/-
13.	20	255.94	30066	32,000	8,190,080/-
Total					196,745,480/-

12. It was mentioned that as per Clause 8 of auction brochure "*The Executive Board shall decide acceptance or rejection of 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

13. The highest/offered bid prices of 28 sold-out commercial shops and plots located in sectors 24-B, 25-B & 4-C, Scheme-33, Gulzar-e-Hijri, Karachi, presented in **Para 11** above, were placed before the Board for its approval as *Successful Bids*.

DISCUSSION

14. The Board was informed that recent auction was highly successful with 14 out of 18 commercial plots, 13 out of 21 commercial shops and one fuel station plot located in sectors 24-B, 25-B & 4-C Scheme-33, Gulzar-e-Hijri, Karachi were sold at prices significantly exceeding reserve price. Bids for plots in sectors 25-B and 4-C were 101% higher than reserve price, bids for commercial plots in sector 24-B were 23% higher, while bids for fuel station plot exceeded by 140%. Layout of auctioned plots and shops was also presented and substantial revenue generation was noted as a positive outcome.

DECISION

15. The Board accorded approval of issuance of acceptance letters to all the highest bidders against their respective auctioned plots and shops, declaring them as *successful bidders*.

B **APPEAL AGAINST FORFEITURE OF TOKEN MONEY AND WITHDRAWAL / CANCELATION OF BID ACCEPTANCE LETTERS ON DEFAULT OF INITIAL 25% DOWN PAYMENT**

16. It was informed that following approval of the Board in its 36th meeting held on 8th November, 2024 FGEHA conducted a two-day open auction on 13th and 14th November, 2024 at Gandhara Hall, F-9 Park, Islamabad. Twenty-two (22) plots in sectors G-13 and G-14 were auctioned, with the highest bids approved by the Board in its 37th meeting on 5th December, 2024. Accordingly, bid acceptance letters were issued on 10th December, 2024 requiring bidders to deposit a down payment (25% of plot price) within 30 days as per brochure's terms. It was further informed that some bidders failed to deposit any payment, while others made partial payments within or after due date and a few requested an extension for 25% down payment or its balance. Overall, full payment was received for 11 plots, partial payment for 5 plots, and no payment for 6 plots. Summary of payment of successful bidders is as under:-

25% Payment Received Against 11 Plots Within and After Due Date

Name	Token No.	Plot No/ Size (SQY)	Deposited Amount (25 % of Bid)	Deposited Amount (75 % of Bid)	Remarks
Mr. Zain Ul Haq & Others	10	19-A, Markaz G-14, 888.90 Sq. Yards	150,557,500	471,672,500	Requested for replacement of one co-bidder and change in shares
Mr. Guldad Khan	8	3-A, Class-III G-13/3, 386.67 Sq. Yards	59,867,200	187,601,600	Nil
Mr. Tariq Khan	41	3-C, Class-III G-13/3, 400 Sq. Yards	61,500,000	192,500,000	Nil
Mr. Umar Hayat	11	7, Class-III G-14/2, 93.33 Sq. Yards	18,532,600	63,597,800	Requested to include an additional partner
Mr. Nisar Ahmed Malik	35	8, Class-III G-14/3, 93.33 Sq. Yards	18,649,263	63,947,788	Nil
Mr. Asghar Muhammad Khan & Mr. Shahzad Ahmad	12	8, Class-III G-14/3, 210 Sq. Yards	30,812,500	100,437,500	Nil
M/S ESAC International (Pvt) Limited	28	11, Class-III G-14/3, 46.44 Sq. Yards	9,435,850	36,307,550	Nil

Mr. Mohammad Sibtain Gohar	10	12, Class-III G-14/3, 46.44 Sq. Yards	9,900,250	37,700,750	Nil
M/S RS Builders (Mr. Shahid Chanzeb, Mr. Muhammad Riaz)	1	3, Mixed-Used, G-13/4, 2602.20 Sq. Yards	399,846,500	1,239,539,500	Nil
Mr. Burhan-Ud-Din	17	6, Class-III G-14/2, 93.33 Sq. Yards	18,415,938	18,415,938	<ul style="list-style-type: none"> • Rs. 10 M deposited on 8th January, 2025 • Rs. 8,415,938/- deposited on 15th January, 2025
Mr. Muhammad Zeeshan & Others	20	1, Class-III, Bazar 01, G-14/2, 206.67 Sq. Yards	45,792,438	45,792,438	<ul style="list-style-type: none"> • Rs. 25.5 M deposited on 8th January, 2025 • Rs. 20,292,438/- on 30th January 2025

Partial Payment Received against 05 Plots Within and After Due Date

Name	Token No.	Plot No.	Amount Due (Rs.)	Amount Deposited %/ (Rs.)	Balance of 25% of Bid to be Deposited (Rs.)	Remarks
Rana Muhammad Gulfam & Others	3	1, Markaz G-14, 666.67 Sq. Yards	125,723,568	51% 64,048,162	61,675,406	<ul style="list-style-type: none"> • Requested for extension of 45 days • Plots belong to same conglomerate of successful bidders • Requested to adjust the 25% payable amount against plot no. 1, Markaz G-14, measuring 666.67 Sq. yards by shifting amount from other two plots, if permission for partial payment has not been granted by the competent forum
Mr. Aslam Khan & others	33	14, Class-III, G-14/3, 231.11 Sq. Yards	54,910,838	50% 27,455,419	27,455,419	
Mr. Aslam Khan & Others	30	15, Class-III, G-14/3, 231.11 Sq. Yards	60,110,813	50% 30,055,406	30,055,407	
Mr. Karim Khan	39	16, Class-III, G-14/3, 231.11 Sq. Yards	56,933,050	51% 29,000,000	27,933,050	<ul style="list-style-type: none"> • Requested for extension of 21 days • Rs. 14 M deposited on 09th January, 2025 • Rs. 15 M deposited on 27th January, 2025
Mr. Muhammad Saleem Anwar & Mr. Raziq Ali Raja	48	3-D, Class-III, Bazar-05, G-13/3, 400 Sq. yards	69,500,000	13% 9,000,000	60,500,000	<ul style="list-style-type: none"> • Rs. 2 M deposited on 21st January, 2025 • Rs. 7 M 23rd January, 2025

No Payment Received against 06 Plots Before or After Due Time

#	Name	Token No.	Plot No.	Amount Due (Rs.)	Remarks
1	Mr. Umheir Ahmed Afzal (White Token)	5	8, Markaz, G-14, 2000 Sq. Yards	430,500,000	<ul style="list-style-type: none"> • Legal notice received on behalf of bidder claiming non receipt of bid acceptance letter • Requested for time extension for depositing 25% down payment
2	Mr. Amer Saleem Khan (Nova City Developers)	12	18-A, Markaz, 888.9 Sq. Yards	163,891,000	No Request Received
3	Mr. Fida Muhammad Shah	18	8-C, Class-III, G-13/3, 400 Sq. Yards	61,000,000	<ul style="list-style-type: none"> • Requested to revise payment plan from 2 to 3/4 Years
4	Mr. Fida Muhammad Shah	32	3-B, Class-III, Bazar 01, G-13/3, 400 Sq. Yards	60,500,000	
5	Mr. Javed Khan & Mr. Saad bin Hafeez	4	2, Class-III, Bazar-05, G-14/2, 206.67 Sq. yards	45,534,100	No Request Received
6	Mr. Abdul Latif	34	3, Class-III, G-14/2, 206.67 Sq. Yards	46,050,775	No Request Received

RECOMMENDATION

17. The Board was requested to accord approval of the following:-

- i. Accept the payment received after due date.
- ii. Allow addition and replacement of co-bidder(s), changes in their respective shares.
- iii. Grant extension of period (30 days) to bidders who made partial payments or did not deposit any payment until the Board meeting to the extent of 25% down payment only.

DISCUSSION

18. The Board was apprised of acceptance of late payments, requests for an extension of 25% down payment deadline and co-bidder modifications. It was observed that while some bidders had made partial payments or sought additional time, a clear framework was essential to uphold transparency and procedural consistency. After thorough deliberation, the Board authorized FGEHA to grant a uniform 45-day extension for 25% down payment to accommodate bidders while ensuring the integrity of auction process. Furthermore, changes in co-bidders, partner replacements and share adjustments were deemed as executive matters to be handled independently by FGEHA without requiring Board approval.

DECISION

19. The Board, as a policy directive, authorized FGEHA to grant a one-time, non-extendable 45-day extension from the payment due date, i.e., 8th January, 2025 to deposit 25% down payment. Failure to make the payment within this extended period shall result in forfeiture of token money and cancellation of bid acceptance letter.


AGENDA NO. 04

Subject: APPROVAL/ENDORSEMENT OF MINUTES OF STEERING COMMITTEE ON SKYLINE APARTMENTS PROJECT

Introduction

20. The Board was informed that JV agreement between FGEHA and M/S ALLC was signed on 13th November, 2019 to provide housing facilities to Federal Government Employees and General Public on ownership basis. Accordingly, land measuring 225 kanals was mutated by JV partner in the name of FGEHA at Rs. 2.0 M per kanals. FGEHA holds major share of 90% in residential plots and 40% in commercial plots, while M/S ALLC holds 10% in residential and 60% in commercial plots. Scope of project is as under:-

Project Scope



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			

21. It was further briefed that the Board, in its 3rd meeting held on 9th March, 2020 approved a construction agreement amounting to Rs. 23.86 billion, which was signed on 13th April, 2020 for design and construction of project with a completion period of 36 months, plus 12 months grace period. 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. Accumulative cost of packages (I & V) was **Rs. 6.61 B.**

22. Development work of project was stopped by contractor, M/S ALLC in April 2022 due to nation-wide unprecedented price hikes & material shortages. Physical progress of project stood at **24.05%**. Due to price hike and construction delays, 25th Board constituted a committee on 11th April, 2023 for amicable settlement. The committee's report was approved in 27th Board meeting on 20th July, 2023 leading to a settlement agreement between FGEHA and M/S ALLC on 24th July, 2023. The agreement, confirmed by 30th Board on 30th November, 2024 resolved all claims and disputes, ending the construction contract.

23. It was apprised that following execution of amicable settlement and considering status of booking/allotment, financial and progress of remaining works; way forward of project was presented before 33rd Board. The Board after thorough deliberation granted **principal approval** of enhancement of rates (*Tentatively @ Rs.9,755/Sft & Rs. 11,709/Sft for Govt. Employees & General Public, respectively*) for resumption of work at Rose Tower (*category A apartment*) of Skyline Apartments Project.

Revision of Project Cost

24. The Board was briefed that JV partner, M/S ALLC, submitted construction cost estimates based on MRS rates 2024 (1st bi-annual) and same was reviewed and vetted by Consultant M/S Designmen. Details of revised cost of package-I (Rose Block) and comparison of cost of apartment as per original and revised cost are as under:-

Revised Cost of Rose Block

#	Description	Amount (Rs.M)	
		Rose - 1	Rose - 2
1	Structural Works	2,075.600	2,227.299
2	Architectural Works	2,108.036	2,108.036
3	Electrical Works	1,762.850	1,762.850
4	Fire Protection Works	229.555	229.555
5	Plumbing Works	482.301	482.301
7	Total	6,658.342	6,810.042
8	Total (Rose-1 & Rose-2)		13,468.384
9	PRA @ 5%		673.419
10	Design Fee 0.35%		47.139
11	Construction Costs of Rose Blocks		14,188.942
12	Allied Cost		4,180.890
13	Total Cost of Rose Blocks		18,369.832

Existing & Revised Price of Apartment- Type A

Apartment Size	Govt. Employees		General Public	
	Existing Price (4,700/Sft) Rs. M	Revised Price (10,000/Sft) Rs. M	Existing Price (5,641/Sft) Rs. M	Revised Price (12,000/Sft) Rs. M
2181 Sft	10.25	21.81	12.30	26.17

25. It was informed that revised cost vetted by consultant was endorsed by technical committee on 25th June, 2024. The Committee recommended re-commencement of Rose Blocks at revised cost of **Rs. 18,369.832 M (Rs. 10,000/Sft)**. Recommendations of the committee are as under:-

- i. Consent at revised rates from allottees of Rose blocks be sought after recommencement of construction works in order to accord a better response from allottees.
- ii. The fate of Tulips (Cat-B) and Daffodils (Cat-C) shall be decided within **six (06) months** and matter be presented before the Steering Committee for decision.
- iii. Construction works for Rose Block should be carried out on **Tower-by-Tower** approach.

26. It was apprised that Steering Committee meeting held on 11th July, 2024 endorsed minutes of technical & evaluation committee and made its recommendations to Executive Board on resumption of works at Skyline apartments through re-commencement of Rose Blocks (Type-A Apartments) at revised project cost (Rose Block: Rs.18.370 B, i.e., Rs. 10,000/Sft). 35th Board in its meeting held on 16th August, 2024 directed to prepare a detailed plan for utilization of land for Skyline apartments project including exploring various options and engaging a transaction advisor for the purpose. The Board was informed that hiring of transaction advisors/firms was being carried out. Status of remaining blocks for categories B & C along with optimal land use would be determined accordingly. Summary of allotment status as of December, 2024 and financial position of project in Rose block is as under:-

Allotment Status

Category	Total Apartments	FGEHA Apartments	Total Allottees	Total Refund	Net Allottees	% Booking
A – Roses	860	774	715	117	598	77%
B – Tulips	1,195	1,076	650	133	517	48%
C- Daffodils	1,890	1,701	175	56	119	7%
Total	3,945	3,551	1540	306	1,234	35%

Financial Position of Rose Block

#	Description	Amount (Rs. B)
1	Revised Cost of PC-I	18.369
2	Total Receivable amount from Allottees	17.557
3	Receipts	1.537
4	Outstanding Receivable	16.02
5	Expenditures made till date	2.139

RECOMMENDATION

27. The Board was requested to approve minutes of Steering Committee to resume works at Skyline apartments through re-commencement of Rose Blocks (Type-A Apartments) at revised project cost (**Rose Block: Rs.18.370 B, i.e., Rs. 10,000/Sft**) on tower-by-tower approach.

DISCUSSION

28. The Board was informed that revised cost had been approved by technical & evaluation and steering committees; and planning of project land would be made to support allottees amid price increase. Moreover, process of hiring of a transaction advisor was in final stage and a detailed financial feasibility plan would be developed within 15 days to optimize land utilization and mitigate impact of cost on allottees.

DECISION

29. The Board deferred the agenda and directed that a detailed plan for land utilization including financial feasibility, be presented before the upcoming Board meeting.

AGENDA NO. 05

Subject: BUSINESS PLAN OF FGEHA

Introduction

30. The Board was apprised that Federal Government Employee 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 Securities and Exchange Commission of Pakistan as a Public Limited Company on 26th March, 1990 under Companies Ordinance, 1984. FG Employees Housing Foundation was established as Federal Government Employees Housing Authority through an act of Parliament on 15th January, 2020. FGEHA is 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)

31. It was informed that FGEHA has approximately **190,862** registered members, with only **35,000** units delivered so far, leaving **155,862** members awaiting their turn. At current delivery rate of **1,100 units per year**, clearing the backlog would take nearly 150 years-presenting/depicting an unsustainable scenario. With an annual registration rate of 10,500 over past 16 years, demand far outstrips supply, necessitating a fundamental transformation in FGEHA's structure, policies, and operational practices. Despite the autonomy granted under Section 5(2)(c & f) of FGEHA Act, organization remained reliant on outdated Land Acquisition Act 1894, which failed to ensure land possession effectively. Absence of flexible JV and Public-Private Partnership policies had further hindered performance. Additionally, complex allotment criteria and a decades-long lack of digitization had added to inefficiencies. To ensure survival and efficiency, FGEHA must reform archaic laws and adopt simplified and flexible policies. Key challenges include reliance on outdated land laws, rigid JV policies, financial constraints, limited digitization and complex allotment procedures.

32. To address these challenges, a committee was formed to assess FGEHA's existing practices and propose a sustainable business model with performance-enhancing measures for long-term viability. The committee's key focus areas are outlined below:-

- i. Land/Asset Disposal through Public Private Partnership
- ii. JV policy to be made more open/flexible and responsive to attract private investment while keeping FGEHA's interest supreme
- iii. Voluntary monthly subscription

- iv. Effective use of technology to improve service delivery and bring transparency in the processes
- v. Bring more transparency in Allotment policy

33. The Board in its 33rd meeting held on 16th May, 2024 granted principal approval of revamping FGEHA's business model. Later on, while discussing progress on Business Plan/Model, the Board in its 35th meeting held on 16th August, 2024 constituted a committee to evaluate and vet drafts of proposed JV Policy, Public Private Partnership Policy, Land Procurement Regulations and Voluntary Subscription Policy. The composition of committee is as under:-

i.	JS (Estate) Ministry of H&W	Chairman
ii.	Draftsmen, Ministry of Law and Justice	Member
iii.	Director JVP, FGEHA	Member
iv.	Concerned Director, FGEHA	Member
v.	Director Law, FGEHA	Member/Secretary

34. The Board was informed that development of Land/Asset Disposal Regulations, JV Regulations, Voluntary Monthly Subscription Policy and Digitization had been completed, while Allotment Policy was still in progress. Details of proposed drafts were presented subsequently.

Land/Asset Disposal Regulations

35. Availability and possession of land were critical for launching FGEHA projects but often faced significant delays due to challenges in identification, acquisition, and retention. Under FGEHA Act 2020, land acquisition was allowed through Land Acquisition Act 1894; however, projects like G-14/1, 2 & 3, F-14/15, G-15/3, Park Road, and joint ventures experienced recurring delays due to unresolved land issues, leading to disputes, litigation, and contractor delays. To address these challenges, FGEHA drafted Land/Asset Disposal Regulations to regulate disposal through membership drives, leases, and public-private partnerships (PPPs), ensuring revenue generation and efficient asset management. The framework outlined disposal methods, defined PPP arrangements, ensured a transparent bidding process, and incorporated mechanisms for unsolicited proposals. PPP project processing as detailed in the Land/Asset Disposal Regulations 2025, involved multiple stages: Project Identification, Internal Review, Evaluation and Agreement Execution, overseen by Scrutiny and PPP Committees before Board approval. Following modes of PPP were described in the said regulations.


- Build-and-Transfer (BT)
- Build-Lease-and-Transfer (BLT)
- Build-Operate-and-Transfer (BOT)
- Build-Own-and-Operate (BOO)
- Build-Own-Operate-Transfer (BOOT)
- Build-Transfer-and-Operate (BTO)
- Contract-Add-and-Operate (CAO)
- Develop-Operate-and-Transfer (DOT)
- Rehabilitate-Operate-and-Transfer (ROT)
- Rehabilitate-Own-and-Operate (ROO)



JV Regulations

36. It was apprised that the Board approved JV Regulations 2020 during its 6th meeting on 12th August, 2020 to enhance land banking through joint ventures. However, stringent conditions, especially related to land-sharing, discouraged potential partners. Despite 25 advertisements and 431 Expressions of Interest (EOIs), no proposal progressed to the execution phase under 2020 regulations. To address these challenges, revised JV Regulations 2025 were drafted, introducing greater flexibility to attract viable proposals. These amendments aimed at enhancing land banking for private-sector projects, promoting private investment in public-sector housing and addressing backlog of developed plots for registered members. The gap analysis of JV Regulations 2020 is presented as under:-

Existing Provision	Gap	Proposed Improvements	Rationale Behind Improvements
4(a) Minimum forty (40) kanals of land for apartments, two hundred (200) kanals of land for housing units and five hundred (500) kanals of land for plots shall be the precondition for a new scheme	No proposal can be entertained until complete quantum of land is available for mutation at initial stage	Option for mutation of land in phases in a stipulated timeframe is allowed	It can facilitate land providers to arrange land in phases

<p>9(1)(a)(i) Under 70:30 formula, the proportionate share of residential plots of the Authority is 70% and of the land provider is 30% on uniform basis</p>	<p>In case when value of land to cost of development is more than fixed quota of both parties (70:30 in residential share) is very stringent for land providers to accept</p>	<p>Option of variations in residential share of parties from 70:30 is allowed in land sharing model on recommendations of transaction advisor on case to case basis</p>	<p>The fixed 30% residential quota for private party is impractical for valuable lands. Flexibility as already provided in commercial share</p>
<p>9(1)(b)(i) JV partner shall provide the product (apartments/houses (grey structures or finished)) on turnkey basis against the final cost inclusive of all expenses</p>	<p>No Option for plots available for end product, thus limiting option for plots in developing/developed housing scheme</p>	<p>Developed Plots option is added in End Product model</p>	<p>Plots inclusion in end product model will help entertain plots scheme against lump sum cost</p>
<p>9(1)(b)(3) Active role as regulator and detailed SOPs are missing in Regulations where Authority will act as facilitator/regulator</p>	<p>Lack of role as regulator and missing details were making this model less practical</p>	<p>Role as regulator and SOPs for end product model are added, where Authority will act as facilitator</p>	<p>Role as regulator along with detailed SOPs addition will result in provision of residential share/plots/land in end product</p>
<p>2. Certain definitions were missing or less comprehensive</p>	<p>Missing definitions were creating a understanding gap</p>	<p>"Definitions" are further elaborated where needed</p>	<p>To make regulations more comprehensive</p>
<p>4(1)(t) In case of non-completion of development or construction work within prescribed time, the Authority shall get the development or construction completed on its own, and recover the same through sale proceeds from auction of residential or commercial share of the JV partner</p>	<p>JV partner's responsibility as Contractor missing. Mechanism for risk and cost needed further elaboration</p> 	<p>In all JV models, in case of non-completion of development or construction works by the JV partner due to his wilful and deliberate negligence and without a justifiable reason within prescribed time or upon the default of the JV partner in its capacity as contractor/land provider, the Authority shall get the development or construction completed on its own, through open bidding on risk and cost basis, and recover the additional cost through sale proceeds from residential or commercial share of JV partner</p>	<p>Risk sharing will help in risk mitigation</p> <p>Removal of unnecessary impediments</p>

		through auction or any other process deemed appropriate by Executive Board	
Composition and TORs of evaluation committees were missing in Regulations	Missing details were creating loopholes in responsibility identification	Evaluation process is channeled by adding composition and role of committees	Clear TORs of committee along with outlined TORs will help to make process more transparent

Voluntary Monthly Subscription Policy

37. It was briefed that FGEHA, as a self-financed organization, relied on member contributions to fund land acquisitions, payments against BUPs and development projects. However, due to defaults on payment of installments, organization was facing a net deficit, highlighting the need for a sustainable financial model. In response, a voluntary monthly subscription model was proposed to establish a steady & predictable revenue stream and ensure long-term financial stability. The initiative would also expand services provided to members. The payment options would be flexible, with processing through AGPR at source or direct payments via (ATM), Bank Transfers, or through a Portal Account, where members would generate a Payment Slip Identification (PSID) with a special ID and password. Additionally, all banks would be integrated with FGEHA portal, enabling smooth and efficient transactions. To ensure transparency, all FG servants would be required to provide an undertaking or consent for participation. This model would not only address FGEHA's financial challenges but also promote a sense of ownership and responsibility among members. The proposed subscription fee with prospective number of subscribers is as follows:-

#	BPS	No. of Prospective Subscribers	Monthly Subscription Fee	Total Monthly Subscription (Rs. M)
1	1-10	15,000	2,000/-	30
2	11-15	15,000	3,000/-	45
3	16-17	20,000	5,000/-	100
4	18-19	10,000	7,500/-	75
5	20-22	1,000	12,000/-	12
Total		65,000		262

Digitization- Allottees' Facilitation

38. It was informed that several digitization initiatives had been introduced to streamline processes and enhance user convenience. A secure online portal provided comprehensive details on registration, seniority, allotments, notices, transfers, and payments, eliminating physical visits. Payment processes were digitized, enabling unique payment voucher generation and seamless online transactions via multiple banking channels. Users were receiving timely alerts through SMS, emails, and calls. A grievance management system had also been implemented to ensure swift query resolution within specified timeframes.

RECOMMENDATIONS

39. Draft Land/Asset Disposal Regulations, Draft JV Regulations and Voluntary Subscription Policy are presented before the Board for approval.

DISCUSSION

40. The Board was informed that under current business process, clearing backlog would take over a century, highlighting the need for an innovative approach. To address this, a revised business model, based on best practices of CDA, DHA and Bahria, was developed to improve efficiency, transparency, and service delivery. A comprehensive sustainability strategy for FGEHA was implemented focusing on land banking through PPPs, land procurement, revising JV policy to attract private investment and introducing a voluntary subscription model that ensured a steady cash flow without burdening members. Efforts were also made to enhance transparency in allotments and leverage technology to streamline operations. While responding to a query, it was informed that JV and private housing society policies of CDA and other relevant authorities were also reviewed. Furthermore, the Board deliberated on monthly subscription models of other institutions, evaluating an appropriate timeframe for plot allotments that balanced with members' expectations. In this context, the Board also discussed DHA's practices and its potential applicability to the new model.

DECISION

41. The Board directed to submit draft policies on land/asset disposal regulations, JV regulations, and monthly subscription policy, duly vetted by the committee, along with complete business plan, in the next Board meeting for approval.

AGENDA NO. 06

APPROVAL FOR EXECUTING GOVERNMENT TO GOVERNMENT JOINT VENTURE CUM LEASE FOR A FUEL SATIATION PLOT NO. 1, LOCATED AT MAUVE AREA SECTOR G-13/1, SRINAGAR HIGHWAY ISLAMABAD

42. The Board was informed that a proposal was received from Ministry of Defense regarding disposal of fuel station plot No. 1, measuring 2224.9 square yards, located at G-13/1, Mauve area, Islamabad, through Government-to-Government (G2G) joint venture/lease mode. Ministry of Defense, through its Front End Company, intended to enter a G2G joint venture cum lease agreement with FGEHA on profit-sharing basis for establishment of a fuel facility and other commercial services to meet Ministry's requirements and serve the public. In this regard, series of meetings were held between representatives of FGEHA & M/o Defense and following responsibilities/modalities were mutually proposed.

Mandate/Responsibilities of M/o Defense

- i. Model Joint Venture Cum lease
- ii. Lease Period 33 years (extendable)
- iii. Profit sharing Proposed by the Ministry of Defense @ 40% 60% between FGEHA and MoD, respectively
- iv. Execution of lease agreement
- v. Obtaining NOCs from relevant quarters
- vi. Establishment of infrastructure, development and management of project after completion shall be carried out by Front End Coy i.e. M/S Shehbaz Enterprises (Pvt.) Ltd. an Inter Services Organization working under M/o Defense.

Mandate/Responsibilities of FGEHA

- i. Execution of Lease Agreement
- ii. Provision/possession of land measuring 2224.9 square yards
- iii. Coordination with JV partner



Joint Venture Agreement

43. It was further briefed that as per clause 5(2)(f) of FGEHA Act, 2020, the Executive Board, FGEHA is empowered to:-

“Grant approval to lease, purchase, procure, sell, exchange, mortgage, rent out or otherwise dispose of any property vested in the Authority;”

Joint Venture agreement as per standard format with inclusion of above mentioned mutually agreed mandate/responsibilities would be executed between both parties after formal approval of Executive Board, FGEHA.

44. It was further apprised that Ministry of Defense had agreed to develop a green belt/park, covering approximately 15 kanals, at juncture of service roads of G-13, G-14, and Srinagar Highway. The development would include soft landscaping and other elements under Corporate Social Responsibility (CSR) model, serving as a vista and landmark for FGEHA sectors. Maintenance and related activities were to be managed by Ministry of Defense, which in return, would have advertisement rights at site.

RECOMMENDATIONS

45. The proposal of M/o Defense was placed before the Board for deliberation and consideration, please.



DISCUSSION

46. The Board was apprised of a proposal from Ministry of Defense's Front-End Company, M/S Shehbaz Enterprises (Pvt.) Ltd., for a Government-to-Government (G2G) joint venture cum lease agreement for fuel station plot. The proposed lease period was 33 years (extendable), with a profit-sharing ratio of 40% for FGEHA and 60% for Ministry of Defense (initially 30:70). Under the agreement, Ministry of Defense would be responsible for obtaining all necessary NOCs, establishing infrastructure, developing and managing the project, while FGEHA would provide land possession, coordinate with JV partner and provide required approvals. Additionally, M/S Shehbaz Enterprises (Pvt.) Ltd. agreed to develop a 15 kanals green belt at the juncture of service roads of G-13, G-14, and Srinagar Highway on a Corporate Social Responsibility (CSR) basis including its maintenance in exchange for marketing rights. The Chair emphasized the need to ensure that green belt is preserved as intended during the development process.

DECISION

47. The Board approved the proposal of Ministry of Defense Front End Company, i.e., M/S Shehbaz Enterprises (Pvt.) Ltd contained in **Para 42, 43 & 44** and directed FGEHA to enter Joint Venture agreement accordingly.

AGENDA NO. 07

Subject: ISSUANCE OF TERMINATION NOTICE TO JV PARTNER AND WAY FORWARD FOR EXITING FROM JV AGREEMENT BETWEEN FGEHA AND M/S PROGRESIVE

48. The Board was informed that a Joint Venture Agreement (JVA) was signed on 19th March, 2010 between FGEHA (formerly FGEHF) and Progressive Motels and Resorts Pvt Ltd for development of Lifestyle Residency Project in Sector G-13, Islamabad. The agreement established a Joint Venture Company (JVC), EHFPRO Pvt Ltd, where FGEHA provided land and JV partner was responsible for financing, marketing, design, construction and management. Clause 2 of agreement outlined the formation of EHFPRO with an authorized share capital of Rs. 200,000, equally subscribed by both parties and a Board of Directors consisting of four members, two from each party. The Chairman of the Board is DG FGEHA as its nominee while the Chief Executive Officer (CEO) of the company is the nominee of JV partner. The CEO is responsible for the project's management and supervision.

49. It was further briefed that a Land Agreement between FGEHF and EHFPRO was also signed on 19th August, 2010 setting terms for FGEHF to provide land for the project. Initially, the land price was fixed at Rs. 1.87 billion which was to be paid by JV Partner, later on the land price was reduced to Rs. 1.15 billion. Lifestyle Residency Project was launched in 2010 in Sector G-13, Islamabad, covering an area of 15.37 acres with plans for 3,240 apartments of varying sizes. However, after certain delays, project was revived and re-launched in July, 2016. After approval of building plans by CDA on 23rd August, 2017 contractors were selected and resources were mobilized at the site. Construction work officially commenced in September, 2017 with an expected completion timeline set for the first quarter of 2020. However, the project remained stalled since 2021 and work is still incomplete to date.

50. **The Board was informed that key issues that have been identified concerning the breach of obligations by JV partner and stalling of Project are as follows:-**

- i. Purpose of joint venture has no longer remained viable as JV partner had withdrawn its investment, contrary to original intent and scope of JVA. JV partner's role had shifted to that of a management partner rather than a financial contributor, who was responsible for financing and execution of Project.
- ii. JV partner was found to have received management fee in excess of amount stipulated in JVA and JV partner had continued to receive and draw the amount in addition to operating expenses, which receipts apart from being unauthorized go beyond the amount envisaged by the JVA i.e. 4% of the project cost.

- iii. Contrary to the intent, scope and terms of JVA, JV partner failed to fulfill its obligations of financing, designing, engineering, construction, supervision and marketing as stipulated by JVA.
- iv. Project cost has escalated significantly due to delays. Despite required completion time of four years, project remained stagnant, still incomplete without any future timelines and/or plan for completion of works. This inordinate delay has caused financial loss to FGEHA and its members.
- v. While FGEHA injected approximately Rs. 2 billion through bridge financing, JV partner did not contribute any additional funds.
- vi. Instead of focusing on project completion, JV partner terminated contractor agreements and engaged in disputes with consultants.
- vii. JV partner transferred shares of M/S Progressive in JVC to another company, M/S Granite, in violation of JVA.
- viii. Despite multiple opportunities given by FGEHA, JV partner failed to provide a viable plan for project completion.
- ix. As of now, only 70% physical progress has been achieved, while project cost escalated to Rs. 65 billion.

51. Given persistent issues, breaches and failures of JV partner, matter was presented before the Board of FGEHA in its 37th meeting on 16th December, 2024. The Board determined that JVA had lost its efficacy due to JV partner's continued breaches. It directed FGEHA to invoke relevant clauses of JVA to initiate process of exiting JV agreement. Consequently, FGEHA served a Show Cause Notice on 30th December, 2024 to JV partner (M/S Progressive), CEO of EHFPRO (Mr. Javed Khattak), and Director of EHFPRO (Syed Imran).

52. In response to the said notice, only a single reply was received on 10th January, 2025 from CEO of EHFPRO. However no response has been received from JV partner (Progressive Motels and Resorts Pvt Ltd) or other Director till date. Therefore, a Notice of Personal Hearing dated 27th January, 2025 was issued to M/S Progressive and its nominated Directors on EHFPRO Board (Mr. Javed Khattak and Syed Imran) to appear before the Board for Personal Hearing.

Personal Hearing

53. Mr. Javed Khattak and Syed Imran appeared before the Board for Personal Hearing during which Syed Imran claimed to be representing himself as well as M/S Progressive Resorts Pvt Ltd. However, upon inquiring whether he possesses any authority or authorization letter from M/S Progressive, he was unable to produce any such document.


54. During the personal hearing Mr. Javed Khattak and Syed Imran were asked to respond to each allegations mention in the Show Cause Notice dated 30th December 2024. In response Mr Khattak relied upon his Reply dated 10th January, 2025 and reiterated the same. Moreover, Syed Imran also adopted the Reply dated 10th January, 2025 submitted by Mr Khattak.

55. They were provided opportunity to present their arguments for each allegation in response to which they reiterated the stance already submitted in writing.

56. An overview of the various allegations levelled by FGEHA against JV Partner, the Reply of each allegation submitted by Mr Khattak and Syed Imran along with the Discussion of the Board are as follows:

I. Failure to Fulfill Contractual Obligations

Allegation

- 
- Non-payment of the land cost in violation of Clause 3.1 of JVA.
 - Inadequate financing contributions in violation of Clause 4.2 of JVA.
 - Financial irregularities, including unauthorized and excessive withdrawal of Management Fee in violation of Clause 5.2.
 - Failure to complete the project within the stipulated timeline stipulated in Clause 9.2 of JVA.
 - Transfer of shares to M/S Granite in violation of Clauses 13.1 and 14 of JVA.

Response

57. Mr Khattak and Syed Imran denied these allegations, stating they are committed to fulfill all obligations. Moreover, they have broadly responded as follows:

- Delays in payment were due to procedural issues and FGEHA's failure to finalize their commitments.
- Financing contributions were adjusted post-arbitration award, with mutual agreement to cap working capital at Rs. 258 million.
- The timeline delays were caused by FGEHA's inability to secure timely approvals.
- Transfer of shares to M/S Granite were approved by the Board of EHFPRO this aligned with JVA amendments.

Discussion

58. The response/defense was vague and did not address as to why the contractual stipulations and timelines were not adhered to. Though certain issues were highlighted with respect to decisions taken by EHFPRO Board, however that does not address the violation and breach of the conditions which lay responsibility on JV partner to pay financial contribution. JV Partner failed to respond as to why it remained in continued failure to fulfill core financial

obligations despite clear stipulation in Clause 4.2 and later on again failed to fulfill the financial obligation after the mutual arbitration award which set the deadline that the entire payment should be paid within the period of 03 months. The Executive Board noted with concern that the very premise on the basis of which JV agreement was entered was injection of funds by JV partner, which it had failed to adhere to and no prior actions could condone such blatant violation of JV agreement. The Board also observed that since EHFPRO Board itself is a creation of JVA therefore EHFPRO Board do not have any capacity to override the express terms of the JVA through their Board Decisions, especially when no amendment to JV agreement was made to that effect.

II. Failure to Provide Working Capital and Withdrawal of Funds **Allegation**

- JV partner failed to provide the agreed Rs. 300 million working capital within 6 months as stipulated by JV agreement.
- Instead paid Rs. 258 million in piecemeal over a period of 6 years.
- Delayed payment hindered timely progress of the Project which caused significant escalation of project cost to 65.4 billion.
- JV partner withdrew Rs. 258 million from allottees' payments, necessitating FGEHA's bridge financing of Rs. 1.7 billion.

Response

59. Mr Khattak and Syed Imran argued:

- Working capital requirements were revised to Rs. 300 million following arbitration award dated 07th October, 2012 which was further reduced to Rs. 258 million during 18th Board Meeting of EHFPRO.
- The said Funds of Rs. 258 million were provided by JV partner as and when required.
- Funds were utilized transparently for project expenses.
- FGEHA's financial intervention was necessitated by broader delays outside JV partner's control.

Discussion

60. The reliance on the arbitration award to the extent of Rs. 300 million is valid only to the extent of the amount, however fails to justify as to why did JV partner remained in violation to comply with the terms of the said Award by not paying only a partial amount and that too in piece meal. The said act of JV partner is defiance of the Arbitration Award which categorically ordered JV partner to pay the entire amount within a period of 90 days. The stance by JV partner, regarding further reduction of the amount of working capital based on the

18th Meeting of the Board of EHFPRO is not justified and constitutes blatant violation of the contractual terms as well and the Arbitration Award which cannot be condoned.


61. No contractual provision or terms of the Arbitration Award allowed the piecemeal payment of the financial obligation, which till date has not been paid fully. Piecemeal payment apart from being violation of the clear contractual provisions is in violation of the terms of arbitration award. The EHFPRO Board did not have the authority to modify or amend JV agreement and nor could have amended or added to the terms of the Arbitration Award. Hence the BOD of EHFPRO cannot absolve JV partner of its obligation to meet the financial obligations.

62. JV agreement specifically stipulated a timeline for payment. The arbitration award also clearly stipulated the timeline for making the payments. It does not have any provision for making payments on an "as and when required" basis. Hence, this argument was considered as baseless.

63. JV partner's withdrawal of allottees' payments without explicit approval also raises questions about transparency and adherence to the JVA.

III. Irregular Management Fee and Operating Expenditure

Allegation

- 
- JV partner received Rs. 569 million in management fees, exceeding the cap of Rs. 333.5 million (4% of Project Cost) laid down by the Arbitration Award and Schedules the JVA.
 - An additional Rs. 658 million was withdrawn by JV partner under the head of operating expenditures which expenditure was already included in the management fee.

Response

64. Mr Khattak and Syed Imran contended:

- The management fee was explicitly outlined under Clause 5.2 of JV agreement.
- The management fee was calculated based on revised project costs and the formula was 4% of the (Land Cost + Construction Cost).
- FGEHA had responsibility to obtain necessary approvals from CDA and there were substantial delays in obtaining the same which caused increase in construction cost.
- Since construction cost increased hence under the formula of Clause 5.2, the Management Fee was increased.
- EHFPRO Board approved and validated these payments.
- Operating expenditures were not included in the management fee.

Discussion

65. Clause 5.2 of JV agreement stipulates that the management fee will be calculated as per Schedule 6 to 8. While the formula was subsequently revised, the figures in Schedules remained unchanged. Hence, the amounts mentioned in the Schedules are the actual calculations of the management fee. Furthermore, the Arbitration Award specifically enumerated the amount which could have been received under the head of Management Fee, JV partner has received and drawn unauthorized payments over and in excess of the prescribed limit, which constitutes gross financial irregularity and embezzlement.

66. JVA Clause 5.2 clearly provides that operational costs were specifically to be excluded at the time of final settlement which means that the same were included in and part of the management fee. EHFPRO's justification lacks sufficient evidence or justification regarding the receipt of the excess payments

67. Any decisions taken in Board Meetings of EHFPRO cannot amend or add to the terms of JV agreement. Hence, the terms of JV agreement will prevail over the EHFPR Board decisions. FGEHA's allegations of financial mismanagement are substantiated by discrepancies in the amounts stipulated the JVA and the disbursed amounts.

68. The delay regarding approval of CDA can at best only be accepted till 2017, whereas from there onwards, the delay cannot be attributed to the CDA approvals and JV partner failed to explain the delay of almost 9 years since after the approval by CDA. Moreover, the delays in seeking CDA Approval were due to design failures, which was the responsibility of JV partner as per JV agreement. Hence the delays in approvals by CDA delays are also attributable to JV partner's fault.

IV. Violation of Land Agreement

Allegation

- Financial embezzlement of JV partner led to Non-payment of the land cost of Rs. 1.15 billion by EHFPRO to FGEHA.

Response

69. Mr Khattak and Syed Imran argued:

- Due to significant escalation in the cost of materials the matter regarding cost of land was discussed in the 18th and 21st Board meetings of EHFPRO where it was decided that the price/cost of land which was not transferred to EHFPRO would not be recovered from EHFPRO, as the land continued to be in the name of FGEHF. It was further decided in the said meetings that the matter will be taken in the next meeting of the Executive Committee of FGEHF for final decision. Therefore delays in payment of Land Price were linked to pending approvals from the Executive Board of FGEHF.

Discussion

70. The above mentioned board decision of EHFPRO Board's is not a valid defense for non-payment of Land Price to FGEHA which had to be paid to FGEHA by the JVC. The non-payment of land price to FGEHA is blatant violation of the JVA. The Board also held that has excess payment in shape of additional management fee and operational expenditure over and above the entitled amount has not been withdrawn the funds would have been available with the JVC to make payment of the Land Price. Hence the amount of Land Price is recoverable from JV partner.

V. Internal Disputes and Delays

Allegation

- Internal conflicts between Progressive and M/S Granite disrupted project progress.

Response

71. Mr Khattak and Syed Imran Argues:

- Admits that internal disputes were there regarding the position of CEO and with respect to the shareholding transfer by and between Progressive Motels and Resorts Pvt Ltd and Granite Pvt Ltd. However the change of CEO was approved by EHFPRO Board
- Admits that shareholding was transferred but it was done subject to approval of EHFPRO Board.
- FGEHA has not transferred the promised rights to Granite and also have not committed to novation of JV agreement

Discussion

72. Internal conflicts between Progressive and Granite has been admitted in the reply. However, no justification is given as to how and under what provisions have the shares been transferred, when such share transfer was specifically prohibited under Clause 13.1 of the JVA. No satisfactory response was given as to how the dispute regarding position of CEO did not disrupt the progress of the works. Also no reasoning is given as to how the current CEO has the legal or contractual entitlement to hold the office of CEO. Accordingly there is no justification as to why novation of agreement should be done.

VI. Escalation of Project Liabilities

Allegation

- Project liabilities escalated to Rs. 65.4 billion due to mismanagement by JV partner.

Response

73. Mr Khattak and Syed Imran attributed the escalation to:

- Delays in CDA approvals caused by FGEHA.
- Scope enhancements approved by the EHFPRO board.
- Failure to adhere to viable solutions proposed by JV partner.

- Inflation and market conditions beyond control of parties.
- Failure of FGEHA to fulfill its obligations of transfer of rights, novation agreement, restraint regarding media campaigns, halting of bookings and selling processes and fruitless auctions with less revenue generation.

Discussion

74. While external factors contributed to cost escalation, JV partners inability to implement effective cost-control measures raises concerns about its financial stewardship. Moreover the project has suffered delay of almost 15 years since 2010 and almost 9 years since 2017, with no end in sight and project cost escalating further day by day. No viable solution was given by them. In fact the suggested proposals were either illegal, in violation of PPRA laws, or impractical.

75. The delays of CDA Approval were due to designing failures, which was the responsibility of the JV partner. Hence the CDA delays are attributable to JV partners fault. FGEHA was not required to bring investment, in fact it was the obligation of JV partner whereas No funds or equity were injected by them.

76. The Board also noted that at the time of the inception of the project the cost of the project was calculated to be Rs. 8 billion approx against which they were supposed to get 4% of the management fee in the light of the Arbitration award. Even though the cost of the project had gone up to Rs. 65 billion however the investment amount remained capped to the tune of 300 million and even that was not paid in entirety. Only a partial amount was paid and immediately withdrawn. Propriety demands that with increase of project cost, the investment amount should have proportionally increased as well. This apparent anomaly should have been brought before the Board of FGEHA for decision whereas this matter cannot be left at the mercy of the documents which was signed back in 2010, which in present times has lost its efficacy due to escalation of prices where the project cost has gone up to more than 800%.

VII. Delay and Non-Execution of the Project

Allegation

- The project timeline of 48 months was not adhered. Despite lapse of almost 15 years the work is still not completed.

Response

77. Mr Khattak and Syed Imran claimed that 70% work was completed and cited following factors as primary causes of delay.

- Delays in CDA approvals,
- Global events such as COVID-19
- Enhancement of scope of work
- Poor performance of the contractor M/S GHC

- Hindrances and protests caused by the labour due to termination of contract of M/S GHC
- Delayed payment to petty contractor M/S Techno.

Discussion

78. The delays of CDA Approval were due to designing failures, which was the responsibility of JV partner. Hence the CDA delays are attributable to JV partners fault.

The completion of 70% as claimed by JV Partner is calculated based on one plot of the Project measuring 10 Acres. As long as the second plot measuring 5 Acre is concerned, no progress at all has been made on the same and other than the earthwork; no other progress has been made. Therefore the percentage of progress will be way less when percentage completion is calculated for the entire project.

79. COVID has very little impact on this project. Construction industry was least affected by COVID globally.

80. The process of hiring of the Petty Contractor M/S Techno by JV partner also appears to be questionable as no proof of express permission of their hiring was provided to the Board. Hence FGEHA is not responsible for any such dealings related to Techno. JV Partner's reliance on external factors is not justified, moreover their failure to present a comprehensive recovery plan undermines their defense.

VIII. Violation of Share Transfer Terms

Allegation

- Shares were transferred to M/S Granite in violation of the JVA.

Response

81. Mr Khattak and Syed Imran claims that the transfers were approved by EHFPRO Board. .

Discussion

82. The reliance on EHFPRO board approvals is insufficient without alignment with original JVA terms. Clause 13.1 of JV Agreement expressly prohibits the transfer of share. Therefore EHFPRO Board do not have any capacity to override the express terms of the contract through their Board Decisions, especially when no amendment to JV agreement was made to that effect. The transfer of majority shares to M/S Granite tantamount to unauthorized subletting of the project to a third party, which is against the entire spirit of the JVA and the applicable prevailing laws of the country which ensures transparency and fair competition. Same is also a violation of the PPRA laws

DECISION

83. It has been noted that so far Reply of JV partner (M/S Progressive Resorts Pvt Ltd) has not been received, whereas although Syed Imran has adopted the reply (submitted by Mr Khattak) in his capacity of being Director of M/S EHFPRO however he has remained unable to provide any Authority Letter/Resolution and or Form-29 to substantiate his claim that he has the authority to represent Progressive as well. However it is evident that both Mr. Khattak and Syed Imran are nominee of the M/S Progressive and act as Directors of M/S EHFPRO on behalf of M/S Progressive Motels and Resorts.

84. It has been observed that due to the fault of JV partner, the project has not yet been completed despite lapse of almost 15 years since its inception. This has resulted in significant financial hardship for FGEHA and Federal Government Employees whose hard-earned investments are tied up in the project without any foreseeable resolution or positive outcome. The members of FGEHA are pressing hard for possession of their apartments and the Authority has not been able to procure any satisfactory answer from JV partner.


85. In view of all the aforementioned discussions, the Board unanimously approves that the responses submitted in writing and argued during the personal hearing by Mr Khattak and Syed Imran have been found unsatisfactory as they have remained unable to justify the allegations put to them through the Show Cause Notice and confronted during personal hearing. The Board decided to terminate the agreement keeping in consideration the paramount interest of the Federal Government Employees and their financial contributions.

RESOLUTION

86. The Board unanimously resolved the following:-

- i. JV agreement shall be terminated with immediate effect.
- ii. Formal Audit of Project shall be conducted to ascertain losses and damages inflicted on FGEHA and its members by JV partner.
- iii. Possession of project along with record shall be secured by FGEHA.
- iv. Winding-up proceedings for JVC, M/S EHFPRO shall be initiated in accordance with legal and regulatory requirements.
- v. All losses attributable to JV partner shall be recovered from them.
- vi. FGEHA is directed to come up with an alternate proposal for timely and successful completion of project to the Executive Board at the earliest.

Progress on Decisions of 37th Executive Board Meeting

AGENDA ITEM / DECISION	IMPLEMENTATION STATUS
<p><u>Agenda No. 3:</u></p> <p>Approval of Executive Board of FGEHA for the followings:-</p> <p>A) Endorsement / approval of 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</p> <p>Decision:</p> <p>The Board unanimously approved issuance of acceptance letters to all the highest bidders for their respective auctioned plots, declaring them successful bidders.</p> <p>B) Mode of auction of plot reserved for five-star hotel in mauve area G-13, Islamabad</p> <p>Decision:</p> <p>The Board unanimously reaffirmed its earlier decision of 22nd meeting to proceed with the disposal of hotel plot through an open auction.</p> <p>C) Mode of auction of plot reserved for international hospital in mauve area, Sector G-13, Islamabad</p> <p>Decision:</p> <p>The Board decided to dispose of the plot reserved for international hospital through open auction.</p>	<p>Acceptance letters were issued to successful bidders on 10th December, 2024. Detail of payment of 22 sold-out inventory is as under:-</p> <p>i. 25% payment received against 11 plots within & after due date</p> <p>ii. Partial payment received against 05 plots within & after due date</p> <p>iii. No payment received against 06 plots within & after due date</p> 
<p><u>Agenda No. 4:</u></p> <p>Options for resumption of work on Kashmir Avenue Apartments project</p>	<p>• Letters issued to SOEs on 19th December, 2024 with bid submission deadline of 24th January, 2025.</p>

Decision:

The Board unanimously approved following recommendations:-

- i. Phase wise resumption of remaining works (Phase-1 (Tower A) = Rs. 8.1 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

Agenda No. 5:

Progress/ Update on F-14/F-15

Decision:

The Board directed the committee to finalize its report within 2 weeks and present it before the Board. The Board also directed to include Director Finance in the committee.

Agenda No. 6:

Withdrawal of Rs. 7,800 Million by Askari Bank

Decision:

Since FGEHA sustained no financial loss, therefore, the Board regularized/ validated the instant transaction

Agenda No. 7:

School Plot in FGEHA scheme Phase-I, sector-24-B, KDA scheme no. 33, Gulzar-e-Hijri Karachi.

Decision:

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 NOC from KDA, and other pertinent documents.

- Pre-Bid Meeting was held on 14th January, 2025 attended by M/S NLC & M/S Railcop.
- No response submitted on bid submission date, i.e., 24th January, 2025
- Consequently, advertisement published on 26th January, 2025 for competitive bidding with bid opening on 18th February, 2025.

Report of the committee was presented before the Board



Report of the committee was presented before the Board. Director Finance, FGEHA stated that Project Director Karachi had repeatedly requested Karachi Development Authority to verify NOC. In response, Letter No. PD/School Scheme No. 33/1250 dated

i. Director (Finance)	Chairman
ii. Director (Law)	Member
iii. Director (Planning)	Member
iv. PD (Karachi)	Member



22nd January, 2025 indicated that matter fell under Sindh Master Plan Authority, Karachi. Despite subsequent requests to relevant department, no confirmation had been received to date.

Decision:

The Board declined the request of M/A TEC Education Foundation and decided to retain the plot at its original location on the 100-foot-wide road. Furthermore, the Board directed that the applicant shall commence immediate construction of the school in strict compliance with local municipal regulations.

Agenda No. 8:

Disposal of public building plots through Joint Venture

Decision:

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

- EOI was published on 7th January, 2025
- 09 bids have been received for school, college and community centre plots
- Technical evaluation is under process
- Financial bid will be opened on 10th February, 2025

Agenda No. 9:

Compliance of IHC order dated 20th November, 2024 for allotment of plots to ICT employees

Decision:

The Board after detailed deliberations directed FGEHA and its planning wing to explore the

- Survey completed
- Committee constituted to explore different options for allotment of plots.

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:

Progress report on M/S EHFPRO (Private) limited

Decision:

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 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 to the JV Partner, 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.
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

Presented vide Agenda No 07



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.



LIST OF PARTICIPANTS OF
38th EXECUTIVE BOARD MEETING OF FGEHA
HELD ON 03rd FEBRUARY 2025

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. JAVED IQBAL, 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