FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY
10-MAUVE AREA, G-10/4, ISLAMABAD
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No.15 (7)/2019-HA (A)/19 Dated: 31st December, 2021

Subject: **MINUTES OF 19th EXECUTIVE BOARD MEETING OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 22-12-2021**

19th Meeting of the Executive Board of the FGE Housing Authority was held on **Wednesday, 22nd December, 2021** under the Chairmanship of Federal Minister for Housing & Works in the Committee Room of Federal Government Employees Housing Authority Headquarters G-10/4, Islamabad.

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

(SHAHID IQBAL)
Director (Staff)

Distribution:

i. Mr. Tariq Bashir Cheema
Chairman EB/ Federal Minister,
Ministry of Housing & Works

ii. Dr. Imran Zeb Khan
Secretary, M/o Housing & Works,
Islamabad.

iii. Mr. Zahoor Ahmad
Additional Secretary,
M/o Housing & Works, Islamabad.

iv. Mr. Muhammad Israr
Draftsman,
Law & Justice Division

v. Ch. Muhammad Anwar
Senior Chief (Technical/PP&H),
Planning Commission, Islamabad

vi. Mr. Rizwan Ahmed Sheikh
Senior Joint Secretary (Expenditures)
Finance Division, Islamabad.

vii. Mr. Amer Ali Ahmad
Chief Commissioner,
ICT, Islamabad.

viii Mr. Amir Mohiyuddin,
Managing Director,
PHA Foundation, Islamabad.

ix. Mr. Zahoor Ahmad
Director General,
Pak. PWD, Islamabad.

x. Mr. Amer Ali Ahmad
Chairman, CDA
Islamabad.

xi. Mr. Tariq Rashid,
Secretary EB/ Director General,
FGE Housing Authority, Islamabad

xii. Col. (R) Imtiaz-ul-Haq Khattak
Chief Engineer
FGE, Housing Authority, Islamabad

xiii. Dr. Asghar Naeem
(Co-opted member),
Chief Planner, FGEHA, Islamabad.

xiv. Mr. Shahzad Nawaz Cheema
(Co-opted member)
Joint Secretary (Estate)
M/o Housing and Works, Islamabad

Copy for information and further necessary to:

i. Director (Estate / Admn), FGEHA
ii. DC/LAC /Director (Land) , FGEHA
iii. Director (Law), FGEHA
iv. Director (Finance), FGEHA
v. Director (JVP), FGEHA
vi. Director (Security), FGEHA
vii. Director (IT), FGEHA

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

Subject: **MINUTES OF 19th EXECUTIVE BOARD MEETING OF THE FEDERAL GOVERNMENT EMPLOYEES HOUSING AUTHORITY HELD ON 22-12-2021**

19th Meeting of the Executive Board (EB) of the Federal Government Employees Housing Authority (FGEHA) was held on 22-12-2021 at 1300 Hrs under the Chairmanship of Honourable Federal Minister for Housing & Works, in Committee Room, FGEHA HQs Islamabad. List of participants enclosed (Annex-I).

2. Proceedings of the meeting commenced with recitation of the Holy Quran. Director General, FGE Housing Authority welcomed respected members of the Executive Board.

AGENDA ITEM NO. 01

3. 18th Executive Board meeting was held on 19-11-2021 and minutes were issued on 24-11-2021.

4. An observation was received from Mr. Muhammad Israr, Draftsman (Law, Justice & Human Rights Division)/ member, Executive Board, FGEHA regarding allotment of Plot no. 3 in Sector G-14/4 to Pakistan Housing Authority Foundation (PHA-F).

RECOMMENDATION:

5. Minutes of the 18th meeting of EB were placed for confirmation.

DECISION:

6. The observation contained vide para 5 above was discussed and it was deliberated by the members that matter of allocation of plot to PHA-F was

WASEEM SHAHID IQBAL
Director (Staff)
F.G.E. Housing Authority
Ministry of Housing & Works
Islamabad

covered under the CDA By-Laws, FGEHA Act, 2020 as well as decision of the Federal Cabinet. The Board approved the said minutes.

AGENDA ITEM NO. 2

SUBJECT: BRIDGE FINANCING FOR LIFE STYLE RESIDENCY APARTMENTS, BEDIAN ROAD, LAHORE

7. The Executive Board in its 18th meeting held on 19th November, 2021 directed to examine the financial model and work plan submitted by JV partner. JV Partner submitted financial proposal vide letter No. 110917 dated 23rd November 2021.

Salient feature of JV partner financial proposal

- Demanded Rs. 900 Million mobilization advance in one go.
- Three IPCs of Rs 150 Million each will be generated till 03/2022
- These IPCs will be fully adjusted against the mobilization advance recovery.
- Remaining Rs 450 Million will be deducted in 11 equal installments of approximately Rs 40.9 Million.
- Complete recovery of mobilization advance up to February 2023.
- Up-to March 2022, total apartments sale to be executed will be 35% (33% to University of Health Sciences & 2% marketing campaign)
- In May 2022, sale proceeds will exceed total amount of bridge financing, making the project financially viable.
- In July, 2022, 100 % apartments will be sold and the project become self sustainable.

8. As per construction Agreement clause 60.12, Mobilization Advance could be given in two installments, first part within 28 days after signing of contract agreement or date of receipt of Engineer's Notice to commence, whichever was earlier and Second part within 42 days from the date of payment of the first part subject to satisfaction of the Engineer as to the state of mobilization of the contractor and 2% work done must be completed.

9. Presently, the project had been financed to the tune of Rs. 738 million from other sources against total receipt of Rs. 193 Million. Total Expenditure to date stood at Rs. 923 million out of which Rs. 379.32 Million is cost of land plus other charges Rs 23.95 Million (total 403.27 Million) were spent on land procurement and Rs. 439 million were paid against work done to the contractor.

10. As per financial plan, if approved, FGEHA had to pay the contractor Mobilization Advance of Rs. 900 million within 42 days under agreement clause as referred above. Furthermore, onward payment of IPCs would also require financing from FGEHA resources. Keeping in view present site conditions and project status, sale target given in financial plan seemed to be ambitious. FGEHA might need to finance further IPC(s) Rs.2 Billion (excluding Mobilization advance plus first three IPCs) for one more year or so to make it viable for marketing/further sale.

11. Previously, it was proposed that financing of Mobilization Advance could be made from F-14-15 project account, keeping in view sufficient balance of Rs. 9.23 billion and an average monthly payment of Rs 270 million per month on the basis of past trend. However, this balance had been reduced to Rs. 8.4 Billion due to land payment during the last four weeks. This trend was expected to continue. Financial proposal of JV Partner was presented before the Board as per directions of 18th Executive Board meeting.

RECOMMENDATION:

12. The matter was placed before the E.B for appropriate decision as explained above.

DISCUSSION:

13. As per directions of Executive Board in its 18th meeting, financial proposal of JV Partner was examined and submitted before the Board. It was

apprised that the JV Partner had received all payments against the mutated land and the work done had been made from other projects. Work at site had been halted due to insufficient balance in the Project Collection Account. The sale targets given in the financial proposal were very ambitious keeping in view project status and the site conditions. More financing to the project from other sources (projects) might expose other projects, as well, to financial risks. JV Partner should also play its role in completion of the Project.

DECISION:

14. The JV partner should ensure arrangement of funds for further viability of the project. Bridge financing was not practicable anymore, in this instance. FGEHA to prepare a feasibility report highlighting the financial viability and marketing plans of the project, which would be presented to the Board. Depending on the abovementioned factors, decision regarding closure or continuation of the project would be taken by the Board.

AGENDA ITEM NO. 3

Subject: - **WAY FORWARD FOR UP-COMING SECTORS F-12/ G-12**

15. Housing and Works Division presented summary titled "Proposal for Amendment in Minutes of Meeting of the Cabinet Committee dated 24/6/2020" in the Federal Cabinet which was approved on 07/12/2021, vide Case No. 1191/40/2021. The summary was presented in pursuance of order of Islamabad High Court. The amendment would be presented to Court,

Proposed way forward in the matter is as follows:

- *As per decision taken in meeting held in Ministry of H&W, under Chairmanship of Secretary Housing and Works, 480 Category I and 400 Category III plots, were withheld for allocation to affectees in F-14/F-15. The members who had been*

allotted these plots will be shifted to F-12/ G-12. As per policy approved by Federal Cabinet, out of the remaining 11182 members of Drive 1, 3300 members will be accommodated in F-12/ G-12 as well.

As per the Board decision 10% of the allottees in each Category, of the Thallian Scheme, may be accommodated in F-12/G-12, space permitting.

I	II	III	IV	V
15	106	182	254	46

16. A preliminary calculation of number of plots in each category and quota in Sector G-12/ F-12 is as follows. Area for apartments, wastage, Blue Area and Mauve Area have been excluded:

Categories	Plot Size	FGEHA Quota (40%)	Land Owners Quota (25%)	General Public (20%)	Overseas Pakistani (15%)	Total
Cat I	50 x 90	452	283	226	170	**1,131**
Cat II	40 x 80	636(400+236)	397(250+147)	318(200+118)	238(150+88)	**1,590**
Cat III	35 x 70	831(450+381)	519(281+231)	415(225+190)	311(169+143)	**2,076**
Cat IV	30 x 60	1,131	707	565	424	**2,826**
Cat V	25 x 50	1,628	1,017	814	610	**4,070**
TOTAL		**4,677**	**2,923**	**2,339**	**1,754**	11,693

- *Applications with a standard non-refundable fee of Rs. 20,000 may be invited from General Public and Overseas Pakistanis. The procedure would be as followed by CDA and OPF. A refundable registration fee of Rs.100000 will also be charged.*

17. A percentage of the calculated cost of plot in each category would be required as down payment, within a stipulated time period, to be eligible for balloting. It may be decided if *the rates of all quotas* are to be kept the same.

- *The funds from the allottees of F-14/F-15, Drive I and possibly Thallian, to be accommodated in F-12/G-12 may be shifted into the respective account, alongwith*

application and registration fee, so that payment of compensation to affectees can commence.

- *In order to expedite the development of the sector, consultant may be hired for designing of Layout Plan.*

RECOMMENDATION:

18. The matter was placed before the E.B for appropriate direction in the light of above.

DISCUSSION:

19. The Chair directed that the authority should ensure fast paced work in these sectors so that the allottees are facilitated as soon as possible. The Board was apprised that a consultant on QBS basis was the need of the hour given that the sectors acquired were challenging in scope and the largest in area so far. No progress had been made since December 2020, regarding deliverables, outlined in the contract by the consultant hired. The time duration for completion of services, as per contract, has long since elapsed. Hence it was necessary to terminate his services as despite having been engaged for a year, no progress in the stated objectives have been made. Planning Wing may initiate both the abovementioned processes.

20. Land payments needed to be commenced in order for possession to be taken, so the POLs of Government Servants and shifting of funds of eligible members from F-14/F-15, Drive I and Thalliyan, may be done immediately.

21. Secretary H&W stated that the advertisement for Overseas Pakistanis and General Public should be published after cost and payment schedule of the plots had been calculated. It was also decided that these two quotas would be offered plots at the prevailing market rates.

22. The affectees had submitted an application to the Authority, requesting that if any land was left over in their designated 25% quota, old and genuine, landless BUP owners may be allotted land, in the same. The same was taken up with as FGEHA had already permitted plots of specified area for G-14 and Dhok Sawaiyyan (F-14) affectees, the Board was willing to entertain the application, if the Federal Cabinet approved the same.

23. It was pointed out that the registration fee should be proportionately distributed among the categories. Anti encroachment operations may be commenced to stop unauthorised built up property from being constructed.

DECISION:

24. The Board decided as under,

i. Consultant for LOP may be hired on QBS basis.

ii. Requisite shifting of funds into the F-12/G-212 account and issuance of Consent/POLs to FGEHA members, of the respective categories may be started. Plots may be offered to General Public and Overseas Pakistanis, based on OPF and DHA model, after cost calculation based on market value and allotment would be done through Balloting.

iii. Payment to be commenced to land owners. Applications for lands sharing to be invited, within a specific timeline.

iv. The request of the landowners for allotment of specified plot sizes against BUPs may be granted, provided that there was land left over in the 25% quota, subject to approval by the Federal Cabinet.

v. Registration fee may be charged at a proportionate rate, as per category.

AGENDA ITEM NO. 4

Subject: - UPDATE ON PARK ROAD SCHEME, ISLAMABAD

25. As per award of Park Road Scheme of FGEHA, 8194 Kanals were acquired by LAC on 17-08-2018. The area of land and rate per Kanal were as under:

Village	Acquired area K - M	Rate (per Kanal)
Tamma	2024-03	Rs. 40,00,000/-
Mohrian	6170-12	Rs. 1725,000/-

26. Attempts to take possession of the land, were met by violent resistance. Negotiations with landowners were held, after which a proposal for enhancement and land sharing was submitted for approval in the 5th Executive

Board (Foundation). The Board agreed, subject to approval from Apex Court. The matter could not progress further due to the pending judgement of F-14/F-15, with which the Park Road case had been clubbed.

27. After Judgement of Supreme Court, in favour of FGEHA and meetings with the SCBA, proposal as below, for Park road was put before the Board again in the 8th Executive Board Meeting (Authority):

- **Mauza Mohriyan--- 28 lakh/kanal plus 15% acquisition charges**
- **Mauza Tamma---52 lakh/kanal plus 15% acquisition charges**
- **Land sharing formula on the quantum of (4:1)**

The Board deferred the agenda.

28. SCBA Land Supervisory Committee headed by Justice Baqir, was formed and meetings between FGEHA and the Committee were held in which, ways to move forward were discussed. As endorsed by the Land Supervisory Committee, approval regarding adoption of Land Sharing in both Mauza Tamma and Mohriyan was taken in 13th EB Meeting.

29. SCBA had agreed to pay the landowners of Mauza Mohrian Rs. 34,00,000/kanal to the extent of the 4100 kanals dedicated for SCBA Society. Out of this FGEHA was paying the rate decided in the award i.e. Rs. 17,25,000 and SCBA was to pay the amount above. Rs.1 Billion from the Rs. 5 Billion that SCBA had placed with FGEHA for the payment of land, was returned, as per their request. Given the situation, the rest of the landowners were unwilling to hand over the land in the remaining Mauza to FGEHA at the award rate.

30. Since July 2021, SCBA had provided fardaat based on which payment for 230 kanals was made by FGEHA. As per request of SCBA, cheques of 200 kanals of verified fardaat had been processed and were ready for disbursement, subject to availability of landowners. Fardaat of 570 kanals had

been handed for calculation of land sharing. Preliminary working on the same had also been done. However there was significant overlap between the two sets of fardaat. SCBA had requested that, as the land holdings of individual owners were too small, so it might be allowed that plot allotment would be done to a single individual holding the General Power of Attorney, for the requisite quantum of land.

31. Agenda for increase in the award rate to Rs.28,00,000 per kanal plus 15%, in Mauza Mohriya was proposed in the 8th Board Meeting, which was deferred by the Board. The same was also quoted as a possible figure by FGEHA during litigation proceedings in Islamabad High Court and Supreme Court of Pakistan. The Chief Justice of Islamabad High Court had ordered FGEHA to submit a report stating details of all enhancements in award rates done by FGEHA, in a case filed for enhancement of compensation in the Park Road Scheme on the next date of hearing. In light of the Court proceedings, on ground practicalities and due deliberations by the Competent Authority with the relevant stakeholders, the Board may consider the rate of Rs. 3400,000/ kanal inclusive of 15% compulsory acquisition charges for Mauza Mohriyan.

RECOMMENDATION:

32. The matter was placed before the Executive Board for discussion & decision.

DISCUSSION

33. The Board was of the opinion that the suggested enhancement would not be sufficient to fulfil the criteria laid down by the Honourable High Court in Noman vs. CDA. The Board not only wanted to fulfil its obligations towards its members but also wanted that fair and just compensation be given to the affectees from whom the land was being acquired. Considering the market value and DC rates of the area it was unanimously decided that the price offered

to the landowners/ affectees should be enhanced to Rs. 4 million for Mauza Mohriyan and Rs. 9 million for Mauza Tamma. The rationalisation for these rates was based on the prevalent market value and DC Rates 2021.

DC Valuation Table April 29, 2021

MAUZA MOHRIAN

- Category 1 – 900,000/Marla = 1 crore 80 lakhs
- Category 2 – 200,000/Marla = 40 lakhs
- Category 3 – 100,000/Marla = 20 lakhs
- Category 4 – 80,000/Marla = 16 lakhs

Given that the area acquired by FGEHA falls largely in Category 2, the rate of Rs. 4,000,000 was deemed suitable

MAUZA TAMMA

- Category 1 – 800,000 = 1 crore 60 lakhs
- Category 2 - 300,000 = 60 lakhs
- Category 3 – 150,000 = 30 lakhs
- Category 4 – 100,000 = 20 lakhs
- Category 5 – 50,000 = 10 lakhs

Given that the area acquired by FGEHA fell largely in the first 3 categories, the average rate came out to be Rs. 8,300,000/-

DECISION:

34. The enhanced rates of Rs. 4,000,000/- for Mauza Mohriyan and Rs. 8,300,000/- for Mauza Tamma, were approved by the Board, for submission to the Honourable Islamabad High Court.

AGENDA ITEM NO. 5

Subject: **UPDATE ON GREEN ENCLAVE-II HOUSING SCHEME WITH M/S COMMONERS SKY GARDENAT MOUZA KATHAR AND MOUZA MANGAL, TEHSIL MURREE, DISTRICT RAWALPINDI**

35. A detailed working paper on the project was presented to Executive Board in its 17th Executive Board meeting where the Board was apprised about the progress on Green Enclave-II housing scheme i.e., M/s Commoners Sky Garden at MouzaKathar and MouzaMangal, Tehsil Murree, District Rawalpindi dated September 20, 2021. After discussion in detail the Executive Board decided as follows:

> ***The Board directed that the JV Partner may be asked to provide a total of 6,000/- Kanal of land with clear title, status & free from all encumbrances to FGEHA. In case, land pertaining to MouzaMengal is not cleared by the Revenue Authorities, a revised JV Agreement alongwitha revised Layout Plan (LOP) for the chunk of land measuring 1,986 Kanal of Mauza Kathar may be prepared and presented to the Executive Board for consideration and approval.***

36. In the light of the Executive Board decision a meeting was held on 15-10-2021 with Secretary Housing & Works in chair to discuss way forward on the project. In the aforesaid meeting it was decided that:

"A letter to M/S CSG will be written, requesting the company to produce a fresh report of revenue authorities regarding the offered land (particularly MouzaMangal) on the issue of Shamailat in the light of decision of Honorable Supreme Court of Pakistan Judgment Dated 04-05-2018 (2018 SMCR 2051)".

37. In the light of EB decision and pursuant to the above mentioned meeting a letter was issued on 27-10-2021 to the JV partner requesting:

"to provide a total 6000 Kanal of land with clear title, status, being free from all encumbrances to FGEHA as per the JV agreement signed on 11-10-2021. In this regard, a fresh report of competent revenue authorities, endorsed by the office of commissioner Rawalpindi division, clearly explaining the status of the land, especially of Mouza Mangal, on the issue of shamailat, in the light of the Honorable Supreme Court of Pakistan Judgment in Crl.Org.57/2015 dated 04-05-2018 must also be furnished".

38. As inquiry on land in Mouza Mangal was still not closed by NAB, the JV Partner assured that the same would be cleared in 90 days and also offered 500 kanals of land in addition to the already mutated 1933 kanals 13 Marlas in Mouza Kathar as a way forward. Same was presented in the 18th EB meeting dated 19-11-2021. Minutes of the meeting attached. The EB decided the following:

"a Final Notice to the JV Partner be issued stating that the JV Partner should provide 1986+500 Kanal of clear land in Mouza Kathar along with revised Layout Plan (LOP) and the addendum to the JV agreement within 03 weeks time, to proceed further".

39. Accordingly a Final Notice was issued to JV partner on 07-12-2021. Meanwhile another meeting was held under the chairmanship of Secretary Housing &Works on 13-12-2021, to review progress on the project. Minutes of the meeting attached. During the meeting, M/S CSG submitted fresh report of revenue authorities in Mouza Mangal. After discussion in detail on aforementioned report of revenue authorities, various aspects of the project and after hearing the viewpoint of the JV partner, the chair directed FGEHA to bring forth the agenda before the Executive Board in its next meeting and let the Board make either of the following two decisions:

I. In light of recent report from revenue authorities regarding the status of the project land, the Board may grant approval of construction agreement of 6021 Kanals in Mauza (Kathar and Mangal), already mutated in the name of FGEHA.

II. If the EB was not satisfied with the report of Revenue Authorities due to the ongoing NAB inquiry, the Board may grant approval to FGEHA to return the land in Mauza Mangal to the JV partner and ask to provide approximately 2500 Kanals of clear Land exclusively in Mauza Kathar along with revised LOP and JV agreement.

RECOMMENDATION:

40. The Executive Board may like to give an appropriate direction, in light of the para no. 33 above.

DECISION:

41. JV Partner shall be given last chance for submission of fresh LOP and signing of revised JV agreement for land measuring 1934 Kanals situated in Mauza Kathar within a span of 02 weeks. In case of failure on part of JV Partner, the project shall be closed.

AGENDA ITEM NO. 6

Subject: **JOINT VENTURE PROJECT ON LEASED LAND PROPOSED FOR APARTMENTS BY M/S BURJ BUILDERS AND DEVELOPERS (PVT) LTD (PREVIOUSLY M/S SULTAN FORT) ON M-9 SUPER HIGHWAY NEAR BAHRIA TOWN KARACHI**

42. M/s Burj Builders and Developers (BBD) (Previously M/s Sultan Fort) submitted a proposal for construction of apartments, on the leased land measuring (55 Acres + 12.29 Acre = cumulatively 67.29 Acres) located on M-9

Super highway near Bahria Town Karachi against 6th EOI. The land use and title had been cleared from Malir Development Authority and from the Office of Deputy Commissioner, Malir, Karachi respectively.

43. The offered land, by the bidder, was leased by Land Utilization Department, Government of Sindh for a period of 99 years starting from 1995. The said land was currently under the ownership and possession of the bidder as verified by the concerned revenue authorities.

44. The proposal of M/s BBD was presented in Technical & Evaluation Committee's meeting dated November 17, 2020. The committee decided as follows:

> *"The proposal of the proposed project is intimated to the Technical and Evaluation Committee. The project with its salient features of JV Agreement be presented before Steering Committee for recommendation to enter into JV agreement to determine the response to the scheme. However, the details of access road, land use, water source, infrastructure up-gradation, and utility services to be ensured by the bidder."*

45. Steering Committee in its meeting dated 07th December 2020 recommended the agenda to be placed before Executive Board (EB) with following salient features:

i. *An MOU may be signed with the JV Partner for advertisement of the project on prices proposed by the JV partner.*
ii. *The share of both parties in residential units shall be finalized after ascertaining the response.*
iii. *The share in commercial area shall be based upon the report of Transaction advisor.*
iv. *The land shall be transferred in the name of FGEHA upon signing of the JV agreement and up to 10% of the corresponding land cost valuated by FGEHA shall be payable*
v. *Minimum 30% booking shall be mandatory to launch the project*
vi. *The marketing shall be done by JV partner in consultation with the FGEHA*

vii. *Project land shall be cleared before transfer in the name of FGEHA*

viii. *The bidder may be asked to develop sustainable transportation mechanism for allottees to make the project attractive.*

46. Recommendations of the Steering Committee were presented in 9th meeting of the EB held on December 09, 2020. The EB deferred the agenda and directed for placement of the agenda before EB after appointment of Chief Engineer, FGEHA. Moreover, EB directed that any JV agenda in future should be processed after due evaluation by respective committees as per provisions of JV policy 2016 and 2019. The Board further observed that leased land could not be equated with owned land. Besides, confirmation of land use by respective Authority/Agency/Department should be a condition precedent prior to presenting any JV agreement to the EB, the board desired. It was further directed that in future entire JV Agreement, after scrutiny of the same by the Steering Committee, would be presented in the Board meeting for perusal of the Board members because as per clause (d) of sub-section (2) of section 5 of FGEHA, Act 2020, the EB was empowered to grant approval to enter into agreements.

DUE DILIGENCE ON THE ISSUE OF LEASED LAND

47. In the light of the EB's observations regarding the issue of launching a project on leased land, legal opinion was sought from the counsel engaged by Law Wing, FGEHA and the same was received vide letter no. Opinion/FGEHA/HSU/10 dated January 21st, 2021.

48. The agenda for evaluation of leased land proposal for joint venture was presented in 10th meeting of EB held on February 18, 2021 (the minutes of meeting of 10th EB meeting are attached as **Annex-6G**). The EB decided as follows:

"The EB directed that FGEHA shall strictly adhere to the provisions of JV Regulations and FGEHA Act, 2020 and in case of the housing projects to be launched on leased land, the said land should be under the Government lease only instead of any private owner/party."

49. On 16-04-2021, Secretary Ministry of Housing & Works chaired a meeting regarding appraisal of all ongoing JV projects/proposals. With regards to the proposal of M/s BBD, the chair was apprised about EB's decision in its 9th meeting dated 09th December, 2020 on the issue of leased land. After discussion, the chair directed that the proposal should be presented in the next meeting of the Executive Board again, as the issue could not be properly explained to the Board in the previous meeting.

50. Accordingly, the proposal was submitted again before the EB in its 14th meeting dated June 24, 2021 soliciting Board's approval regarding:

I. *Evaluation of proposal of leased land for the JV*
II. *Recommendations of steering committee for signing of MOU with M/s BBD for advertisement of the project.*

51. The EB again directed to clarify/ascertain the legal aspect of lease/ownership framework in the light of FGEHA Act, 2020 and local laws. It was further directed by the Board that business and marketing plan may also be presented in next EB meeting.

52. Although the legal counsel had already given his opinion that the Authority could have acquired land through lease, subject to the verification of land and its suitability; however, in order to avoid any future inconvenience, the legal counsel advised the Authority to conduct a comprehensive and complete due diligence of the proposed leased land on following lines:

I. The scheme under which land was leased?
II. What are terms and conditions of lease? And
III. Whether proposed land is allowed to develop the project under consideration by the concerned civic agency?

53. Observations of the Legal counsel, were shared with the bidder who responded vide letter no. Nil Dated July, 29th, 2021. Bidder's response was forwarded to Law Wing for legal advice/opinion. Law wing, FGEHA, in order to avoid legal disputes, advised further due diligence on the following lines.

a. Lease/ownership/title rights of the party
b. Government of Sindh's position on the proposal
c. Any other risk mitigation measures on this basis of JV Policy

54. In the light of the law wing's advice, letters to SMBR and Land Utilization Department, Government of Sindh Dated 20th August, 2021 were addressed regarding the issue of permissibility of the project on the leased land. Response of the land utilization department, Government of Sindh dated 09-09-2021 was received and the same was shared with Law wing for comments.

"Alongwith a further request to give clear advice/opinion on the issue and identify any further specific steps to the taken in this regard".

55. The Law wing engaged Barrister Raheel Ahmed as legal counsel who raised certain queries which were shared with land utilization department, Government of Sindh. Land Utilization Department replied vide letter dated 27-10-2021.

56. The queries raised by Law Wing, FGEHA and their responses received from Land Utilization Department, Government of Sindh, on the basis of legal opinion acquired by the department, are reproduced below:

Sr. No	Query by Law Wing, FGEHA.	Response by Land Utilization Department Govt of Sindh.
1	The grant letter vide order No. PS/MBR/(L.U.)/1435/95 dated 09-08-95 ("grant order") and Lease Deed dated 12-11-21 ("lease deed") restricts the scope of the lease to	Changing purpose of the lease is not permissible and the same is prohibited as per the dictum set forth by the Honorable Supreme Court of Pakistan. However, the same is not the case here. The FGEHA,

	the "Industrial/ Commercial/ Agriculture". It is inquired that: "Whether the scope of the lease agreement has been expanded and/or changed from industrial / commercial / agriculture to residential / residential cum commercial or remains the same as defined in the grant letter and lease land?"	vide the above referred letter, intends to enter into a joint-venture with Mr. Sajid Ibrahim for high rise apartments scheme on his offered land as mentioned above. After perusal of the relevant documents provided to this office, it has transpired to the undersigned that above referred land exists in the record of rights in favor of Mr. Sajid Ibrahim and two others for industrial/commercial/agricultural purpose and it is a well settled principle of law that the upper floors of a commercial plot can also be used for "residential purposes." In support of this principle, Section 2 (e) of the Sindh Disposal of Urban Land Ordinance, 2002 is reproduced hereunder: (e) "Commercial plot" means plot reserved for commercial or commercial-cum-residential purpose in a scheme." Keeping in view the above said provision of law, the subject plot allotted / leased out for "commercial/ Industrial/ agricultural" purposes can be used for commercial cum residential purposes as well. Therefore, the intended/proposed scheme is permissible under the commercial purpose and there exists no need to change or expand the scope of the lease agreement.
2	In the light of Judgement passed by the Hon'ble Supreme Court of Pakistan in Suo Moto Case No. 16 of 2011 reported as PLD 2013 Supreme Court 443 and subsequently observation made in	The Honorable Supreme Court of Pakistan had imposed complete ban on allotments, sale and transfer of the lease vide its order dated 28.11.2012 in the Case Suomoto 16 of 2011. However, the said ban was partly lifted to the extent of public purpose use

	the case reported as 2020 SCMR 82, it is inquired that: "Whether is there any ban and/or bar on the sale/transfer of lease?"	only i.e. the Government was allowed to consider and make necessary allotments, acquisitions and transfers in respect of lands intended to be used for public service vide its order dated 07.08.2019 in the same case. Further, the applications of lands in respect of which, the order dated 28-11-2012 has already been complied of were also permitted to be dealt in accordance with law i.e. lands in respects of which revenue record has been completely reconstructed. Therefore, there exists no illegality in granting the leasehold rights in respect of proposed land as the same is intended for public purpose and the department and the Office of the Deputy Commissioner reflect that the title of Mr. Sajid Ibrahim in respect of above said land is clean, clear and free from any claims, liens, charges and litigation whatsoever.
3	It is noted from the grant order and lease deed that a lease of "Permanent tenure" has been granted to lessee, it is inquired that: I. "Whether the term "permanent tenure" denotes the lease of 99 years or otherwise?" and II. "Whether the permanent tenure of 99 years lease implies the grant of the right of renewal / renewal as of right to the lessee"	I. After the perusal of the documents provided to the undersigned, it has transpired that Mr. Sajid Ibrahim and others possess leasehold rights in respect of the above referred land for a period of 99 years which can subsequently be renewed in the light of statement of conditions, prevailing law of the land and approval of the competent authority. II. Same as above.

57. The response of the land utilization department was forwarded to law wing for perusal. Law wing, FGEHA responded that:

"The responses given by Land Utilization Department, Government of Sindh on the queries are satisfactory. Therefore, JVP wing may proceed further in the matter as per its rules and policy."

RECOMMENDATION:

i. The efforts conducted so far, in the light of the EB's directions, to clarify / ascertain the legal aspects of lease/ownership framework in light of FGEHA Act, 2020 and local laws have already been reflected above. The Board may kindly give decision on the said issue.

ii. If EB was convinced to proceed further on the proposal, then approval to place the agenda for signing of MOU & getting the response of members of FGEHA, to determine the feasibility of the project on revised rate, in next meeting of EB may be granted after passing through following tiers of Committees:

a) Technical & Evaluation Committee
b) Steering Committee

iii. The bidder should ensure the clearance of pending litigation before signing of MOU & getting the response of members of FGEHA.

DECISION:

58. The Board directed that the JV Partner needed to clear all pending litigations on the land and come back to FGEHA for the proposal to be discussed afresh.

AGENDA ITEM NO. 7

Subject: ANALYSIS OF ISSUES IN IMPLEMENTATION OF POLICY AND PROCESSES INJOINT VENTURE PROPOSALS

59. JV policy was approved by federal cabinet in 2016. The same was further improved with the approval of Executive Committee in 2019. In 2020 JV Regulations were issued with the approval of the Executive Board. Under the JV Policy/ Regulations, EOIs had been invited nine times.

60. Recently, proposals for joint venture, from private investors and land providers, were invited through 9th EOI on September 12, 2021. The response was lacklustre. Only seven (07) proposals were received and all of them lacked necessary documents. Accordingly, the bidders are being pursued to furnish the requisite details/documents. Prior to this, EOIs were invited eight times during the last few years; however, the number of those which could materialize is negligible.

61. Summary of proposals against all EOI's is as under:

EOI #	Total Proposals	Proposals Dropped	JV Agreements	JV Cancelled	Construction Agreement	Under Scrutiny
1	93	89	**02	-	**02	02
2	52	50	*01+**01	*01	-	02
3	08	08	-	-	-	-
4	15	15	-	-	-	-
5	20	19	-	-	-	01
6	36	32	-	-	-	04
7	61	59	-	-	-	02
8	28	24	-	-	-	04
9	07	Nil	-	-	-	07
Total	320	296	04	01	02	22

*APARTMENT PROJECT **LAND SHARING

62. It was evident from the table above that out of the total 320 proposals only four could reach the stage of signing of the JV agreement. Out of these four proposals, two pertained to apartment projects and the other two related to development of plots. As for the two JV agreements for development of plots, one was cancelled in the light of the decision of the Board since the JV partner could not provide land despite lapse of five years. The other JV agreement for plots could not progress into the start of the construction work

because of the NAB enquiry on the issue of *shamilat*. Since 3rd EOI dated 12-07-2019, not a single JV agreement could be signed.

63. It was in this background that the JV Wing conducted a preliminary study to ascertain the reasons for not having sound JV arrangements.

POSSIBLE REASONS:

i. In the real estate / land development business, an overwhelming majority of the developers conduct their business operations on the money generated through public. However, JV policy does not allow payment on account of land which effectively means that the developer has to first make a handsome investment in land. This precludes most of the interested parties to participate in the JV exercise.

ii. In almost all cases, bids were received not from the owners of the land but from the businesspersons in the real estate market who just furnished a sale agreement with the land owners. Such sale agreements furnished to FGEHA were mostly found flawed and deficient in substance. Therefore, after a lengthy exercise it would turn out that the bidder was unable to provide land.

iii. In facilitation model, the condition of transfer of the entire chunk of land in the name of FGEHA, before declaring it "the specified area" and total financial control of FGEHA on the inflows relating to the share of the bidder made it an unattractive option for a developer worthy of the name.

iv. The bidders were mostly firms/consortiums who neither held the title of the land in their name nor had any agreement to sell with land owners. No proposal could be processed far in this case.

v. Since prices of land in the vicinity of major urban centers had skyrocketed in recent times; therefore, the chunks of land offered were mostly under litigation, mortgage or inquiry by some government agency or had issues relating to title, possession, compactness and access. The bidders in these cases aimed at using FGEHA to maximize their profits on an otherwise sinking investment.

vi. In a large number of cases, the land offered was not in conformity with the principles of planning as well as the master plan of the big cities.

vii. In many cases *Shamilat* lands were offered. In these cases, the owners merely had bought the possession rights at some point in time in the past and did not have ownership title to be transferred to FGEHA.

The Honourable Supreme Court of Pakistan in its judgment in Crl. Org 57/2015 dated 04-05-2018 had strictly prohibited construction on *shamilat* lands.

viii. Land title verification was the first and the most important step in the process of scrutiny. Response of the revenue authorities to our verification requests was invariably painfully slow and the reports were at times quite vague which rendered the whole exercise meaningless and a sheer waste of time.

64. FGEHA has a waiting list of more than one hundred & fifty thousand members for provision of housing. Also government issued directives to stop acquisition of land through relevant DC/LAC through Section 4 of Land Acquisition Act, 1894. Therefore, Joint Venture or Public Private Partnership was the only mode left to accommodate such a huge number of waiting members.

RECOMMENDATION:

65. As above there was a combination of factors relating to policy regarding real estate business operation methods, deficiencies on part of the bidders and dependence of JV wing on internal and external stakeholders for necessary verification which made the JV option less attractive for reputable developers and the process was very long and tiresome. Therefore, it was proposed that a professional consultant might be hired to study legal framework, JV policy/ regulations, market trends, principles of real estate business operations, successful models of public private partnership in public sector and business processes of the JV Wing and accordingly suggest further improvements in the JV policy/regulations and possibly in FGEHA Act 2020 to make JV model more practical and attractive for investors and also further to streamline the internal processes.

DECISION:

66. The Board directed DG, FGEHA to constitute a Committee, which shall frame recommendations to improve JV Policy and submit the same to the Board accordingly.

AGENDA ITEM NO. 8

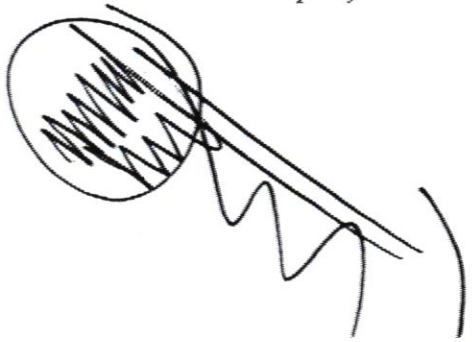
Subject: ENDORSEMENT OF

i. **PC-I OF DESIGNING, PROCUREMENT AND DETAILED CONSTRUCTION, SUPERVISION OF INFRASTRUTURE DEVELOPMENT WORK OF SECTOR 24-B, SECTOR 25-B, SECTOR 18-C, SECTOR 19-C AND SECTOR 4-C AT KDA SCHEME-33, GULZAR-E-HIJRI, KARACHI**

ii. **AMMENDED PC-II REGARDING CONSULTANCY SERVICES FOR FGE HOUSING AUTHORITY SCHEME SITUATED AT MOUZA TAMA & MOHRIAN, PARK ROAD ZONE-4, ISLAMABAD**

i. **ENDORSEMENT OF PC-I OF DESIGNING, PROCUREMENT AND DETAILED CONSTRUCTION, SUPERVISION OF INFRASTRUTURE DEVELOPMENT WORK OF SECTOR 24-B, SECTOR 25-B, SECTOR 18-C, SECTOR 19-C AND SECTOR 4-C AT KDA SCHEME-33, GULZAR-E-HIJRI, KARACHI**

67. Federal Government Employees Housing Authority acquired land in Scheme-33, Gulzar-e-Hijri, Karachi from Board of Revenue, Sindh. An area of 54.127 acres was leased and handed-over to FGE Housing Authority, Ministry of Housing and Works. FGEHA launched two housing schemes i.e. Phase – I (Sector 24-B & 18-C) and Phase – II (Sector 4-C, 19-C & 25-B) in the year 1992 and 1999, respectively. Subsequently, 519 plots were allotted to Federal Government Employees. Development Working Party (DWP) in its meeting held on 06th December, 2021 in the committee room of FGEHA, Islamabad had approved PC-I for infrastructure development work of sector 24-B, sector 25-B, sector 18-C, sector 19-C and sector 4-Cat KDA scheme-33, Gulzar-e- Hijri, Karachi. Abstract of cost of the project was as follows:



S.No.	Description	Amount (Rs.)
A. COST OF WORKS		
1	Roads Works	281,470,945.00
2	Water Supply System	107,698,627.40
3	Sewerage System	88,070,560.40
4	Electrical Works	167,467,073.59
5	Soft Landscaping (Parks & Green Belt)	30,000,000.00
	Sub Total (A)	**674,707,206.39**
B. CONNECTION CHARGES		
5	KESC, SSGC and KW&SB Connection Charges (Lumpsump)	65,000,000.000
	Sub Total (B)	**65,000,000.00**
C. Additional Charge		
6	2% Contigencies	13,494,144.13
7	Project Management Unit Charges	7,963,000.00
8	Consultancy Design Fees and Supervision of Project	32,773,349.97
9	Price Escalation	13,883,265.08
	Sub Total (C)	**68,113,759.18**
	Total Cost (Rs.)	**807,820,965.573**
	(In Millions)	**807.82**

RECOMMENDATION:

68. The case is submitted for perusal and endorsement of PC-I for infrastructure development work of sector 24-B, sector 25-B, sector 18-C, sector 19-C and sector 4-C at KDA scheme-33, Gulzar-e-Hijri, Karachi in line with recommendations / approval by DWP, for further processing of the project towards physical execution.

DECISION:

69. The Board endorsed the recommendations mentioned vide para no. 69 above.

ii. **ENDORSEMENT OF AMMENDED PC-II REGARDING CONSULTANCY SERVICES FOR FGE HOUSING AUTHORITY SCHEME SITUATED AT MOUZA TAMA & MOHRIAN, PARK ROAD, ZONE-4, ISLAMABAD**

70. In efforts to reduce housing backlog and to provide housing for government employees and other specified groups, Federal Government Employees Housing, Authority intended to Plan & Develop 8194 Kanal& 15 Marla land area (likely to be extended) located at Mouza Tama &Mohrian, Park Road, Zone-4, Islamabad.

71. The land of subject project was acquired by FGEHA in 2015 measuring 8194 Kanal and 15 Marla in MozaTamma and Mohrian to launch housing scheme for Federal Government Employees and Supreme Court Bar Association as per direction of Prime Minister Office. Accordingly, the land was awarded by the ICT. However, the matter remained subjudice until Supreme Court decided the matter in favour of FGEHA on 08-10-2020. It was important to note that 50% of the residential plots in this scheme belonged to SCBA whereas rest of the plots were allotted to Federal government employees.

72. Initially, Development Working Party (DWP), FGEHA in its meeting dated 3rd February, 2021 had unanimously approved the PC-II of FGE Housing Scheme situated at MouzaTamma and Mohrian, Park Road Zone-IV, Islamabad (amounting to Rs. 139.311 million) on Engineering Procurement Construction (EPC) Mode which was subsequently endorsed by the Executive Board. Afterwards, FGEHA advertised the Request for proposal (RFP) for hiring of consultant in national dailies in February, 2021 and then in March and April, 2021. However, due to lack of interest shown by the consultants regarding submission of bids on EPC mode coupled with land issues, the process was halted.

73. Upon the endorsement of revision in scope of work by the Competent Authority, i.e. from EPC mode to traditional mode, the PC-II had then been revised to engage consultant for planning and designs including but not limited to Geo Tech, Topographic/ Drone Surveys, Land use surveys (assessment of BUPs), Preparation of Layout Plans, Engineering Design, detailed design preparation of BOQs/Tender Documents & draft PC-I etc. for FGE Housing Authority Scheme as well as LOP/Design of High Rise Mixed-use Apartments (as decided in a meeting held in the Ministry of Housing & Works under the chairmanship of Secretary (H&W).

74. The cost of amended PC-II was similar to the already approved PC-II i.e. Rs. 139.311 million, however the mode of project delivery changed from EPC to traditional mode. The Development Working Party of FGEHA in its meeting held on 06-12-2021 unanimously approved the amended PC-II of FGEHA housing scheme situated at Mouza Tamma and Morian, Kuri Road Zone IV Islamabad, amounting to Rs. 139.311 million on traditional mode of project delivery.

RECOMMENDATION:

75. The Case was submitted for perusal and endorsement of Amended PC-II regarding consultancy services for FGE housing authority scheme situated at Mouza Tama & Mohrian, Park road, Zone-4, Islamabad, in line with recommendation/ approval by DWP of FGEHA, for further processing the project.

DECISION:

76. The Board deferred the agenda.

AGENDA ITEM NO. 9

Subject: **WAIVER OF DELAY COMPLETION CHARGES IN SECTOR G-14**

77. FGEHA Act, 2020 (Act No. IV of 2020) empowered [the Director General/ to whom he delegates his power] under Section 7(2) (b), *"to accord approval for the layout plans, building plans of the schemes in conformity with the local municipal regulations"* within specified area of FGEHA. Accordingly, the Authority was following the Islamabad Capital Territory Residential Sector Zoning (Building Control) Regulations-2020 in order to accord approval for the layout plans/ building plans.

78. In this regard, it was apprised that as per clause 3.12.2 of Islamabad Capital Territory Residential Sector Zoning (Building Control) Regulations-2020, *"the validity of the approved plan was five (5) years from the date, building plan was approved"* and as per Clause 2.8.1 of the Regulations ibid *"A fine, of Rs. 5000/- per month for residential & Rs. 10000/- per month for all other buildings for first year and would be doubled thereafter, will be imposed on those who occupy building without obtaining completion certificate from Authority."*

79. Now the approval of completion plan was granted by FGEHA as empowered through promulgation of the Act ibid; the Authority was receiving applications from different owners of properties, in the specified area of FGEHA, regarding request to waive off the delay completion charges for the following reasons;

i. There is no pipeline water supply arrangement till date
ii. The sewerage system is partially functional
iii. Roads are still under construction
iv. Schools & Parks are yet to be developed

80. However, it was pertinent to mention here that the delay completion charges were imposed on only those properties whose building plan validity period got expired (i.e. who submitted the completion certificate application after 05 years from the date, building plan is approved) and the agenda for waving off of late completion plan charges was also put up in 10th Executive Board Meeting held on 24th February, 2021 whereby the board directed that as no such provision of waving of any charges was available in the FGEHA Act, 2020 or any other relevant law/rules, therefore, the same should be charged as per prescribed rules and regulation.

81. Furthermore, up till now FGEHA had accorded completion certificates to 127 housing units in Sector G-14/4 out of which delay completion charges are levied upon 74 housing units only which amounts to Rs. 6.72 million.

RECOMMENDATION:

82. The delay completion charges may be waived off for the Sector G-14 where development works was still incomplete/in-progress up till January 31, 2022.

DECISION:

83. The Board approved the recommendations contained vide para no. 83 above.

TABLE AGENDA

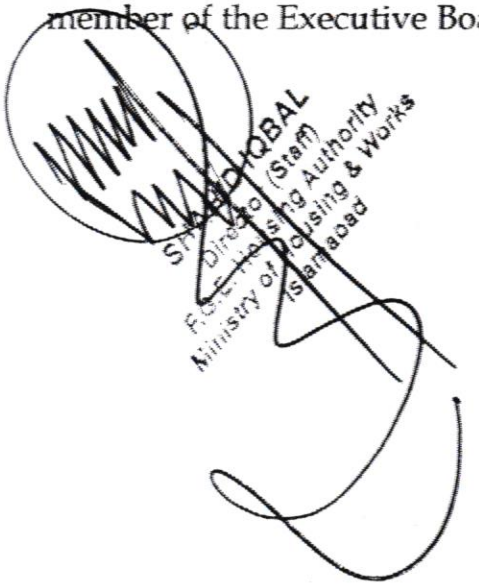
Subject: INCORPORTATION OF JOINT SECRETARY (ADMN.), MR. MUHAMMAD YASEEN SHAR BALOCH AS CO-OPTED MEMBER OF THE EXECUTIVE BOARD

84. A table agenda was presented regarding incorporation of JS (Admin.), M/o H&W as co-opted member of the Board. The Board was apprised

that FGEHA could at any time add or remove a member from its Board to ensure efficiency. Further, in past, such practice had been observed.

RECOMMENDTION:

85. Keeping in view the expanding scope of work of FGEHA as various projects have been launched/ about to launch across Pakistan in all provinces, JS (Admin.), Mr. Muhammad Yaseen Shar Baloch might be co-opted as member of the Executive Board of FGEHA.

DECISION:

86. The Board approved the incorporation of JS (Admn.), as co-opted member of the Executive Board of FGEHA.