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GUJRANWALA DEVELOPMENT AUTHORITY
GUJRANWALA

NOTIFICATION

No.GDA/Admin/A-2/18/398 Dated 27-8-18 In exercise of the powers conferred under section 44 of the Punjab Development of Cities Act 1976 the Governing Body of GDA is pleased to make the following Regulations in its 53rd Governing Body Meeting held on 01-02-2018 namely "GDA REGULATIONS FOR LEASE OF PROPERTIES/PETROL PUMPS AND CNG STATIONS 2018".

PART-I GENERAL

1. These regulations may be called the GDA Regulations for lease of Properties/Petrol Pumps and CNG Stations 2018.
2. They shall come into force at once.
3. They shall apply to all allottees of GDA properties.
4. **Definition:-** In these regulations, unless the subject or context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them that is to say:-
 - a. "Authority" means Gujranwala Development Authority, Gujranwala.
 - b. "Competent Authority" means the Director General Gujranwala Development Authority, Gujranwala.
 - c. "Property" means shops/offices/land/plots etc owned by Gujranwala Development Authority.
 - d. "Short Term Lease" means 5 years to 15 years.
 - e. "Long Term Lease" means 15 years to 33 years.
 - f. "Director General" means Director General, Gujranwala Development Authority, Gujranwala.
 - g. "Director Estate Management" means Director Estate Management, Gujranwala Development Authority, Gujranwala.
 - h. "Committee" means committee constituted by Director General, Gujranwala Development Authority, Gujranwala.
 - i. "Lessor" means Gujranwala Development Authority, Gujranwala.
 - j. "Lessee" means person/firm/company to whom property is allotted on lease/rental basis.

- k. "Monthly Rent" means monthly rent assessed by the committee.
- l. "Security Deposit" means amount assessed by the committee.
- m. "Bidder" means person/firm/company who participated in auction.
- n. "Tenant" means any person/firm/company to whom the property of GDA is allotted on monthly rental basis or annual rental basis.
- o. "Agreement" means documents signed by lessor and lessee.
- p. "Increase" means increase in rent.
- q. "Final Authority" means Director General Gujranwala Development Authority in case of any dispute between lessor and lessee.
- r. "Allotment, Cancellation and Restoration Authority" means Director (Estate Management), Gujranwala Development Authority, Gujranwala.

A. REGULATIONS FOR LEASE/RENT OF PROPERTIES

1. Authority may give its property (land, constructed shops/offices etc) on lease, rent or license on short term basis (5 years to 15 years) or long term basis (above 15 years up to 33-years) through open auction. A committee constituted by the Director General will determine the terms of lease period.
2. A person shall be entitled to bid in the open auction on payment of earnest money i.e. 5% of the security amount determined by the competent authority, or committee or an officer so appointed for this purpose.
3. The earnest money shall be deposited in form of pay order or demand draft, issued by a scheduled bank.
4. Present legal occupants shall be offered monthly rent assessed by the committee, which shall not be less than existing market rate. If the present legal occupant refuses then the same property will be placed for auction. The term (short or long) will also be determined by Committee keeping in view the location of the property.
5. The legal occupant of the immoveable property shall be allowed the right of first refusal of the highest bid. If he will not be willing to accept the offer then highest bidder will be allotted property.
6. Reserve monthly rent shall be fixed by the Authority or person or a committee appointed for this purpose.
7. The successful bidder, prior to possession shall also deposit the security amount equivalent to six month's rent for offices. The security for shops will be determined by the Committee constituted by the Director General. The security for shops and offices shall be deposited within 14 days (including holidays) from issuance of approval letter. The earnest money shall be adjusted towards deposit of security amount.

8. If the bid is approved by the Competent Authority or a person or a Committee so appointed, the security deposit will remain with the Authority till the expiry of the lease or tenancy period and the lessee or tenant will be entitled to seek its refund on the expiry of the lease/tenancy period. No profit on deposited amount can be claimed by the tenant/lessee. After the deduction of all the outstanding liabilities, dues etc. remaining security amount will be paid to the tenant.
9. The bidder on communication of the approval of his bid, within 21 days (including holidays), shall approach the Competent Authority for the execution of the lease agreement. All expenses in respect of execution of agreement will be borne by the bidder. Failure in execution of the agreement on the part of bidder, within stipulated time, will result into cancellation of bid along-with forfeiture of money deposited till such time.
10. Physical possession will be handed over to the lessee / tenant after execution of agreement. The rent will be received from the date of possession.
11. There will be an increase of 10% in the existing rent or lease money every year.
12. The tenant will pay the monthly rent in advance. If he fails to deposit monthly rent on due date fixed by the Authority, penalty/surcharge @10.5% shall be imposed on the defaulter on rent amount and lesser may disconnect the electricity and water connection.
13. If default continues for 3 consecutive months lease/rent agreement shall be cancelled by Director Estate Management and the security amount already deposited will be forfeited in favour of Authority after deduction of outstanding dues. However, the Director Estate Management can restore allotment after imposing 15% penalty of outstanding dues, after considering the request of tenant subject to the condition that the cancelled unit is vacant at that time.
14. The leased/rented properties shall be **transferable after paying transfer fee and outstanding dues** and cannot be sub-let. In case of sub-letting the lease/rent agreement shall stand canceled, whereafter the Authority shall be entitled to resume the possession. In such like situation the security amount shall be forfeited after deduction/adjustment of outstanding dues.

However, if any tenant /lessee dies during the rent/lease period his lease/tenancy rights will be transferred by the authority in favour of his legal heirs declared by the Civil Court.

15. Lessee will not be entitled to erect any kind of encroachment in front of rented unit.
16. The lessee will be bound to hand over the rented unit to GDA after expiry of lease in same condition as it was at the time of taking of possession from GDA. All the structures and permanent fixtures shall become the property of the lessor.
17. That lessee will pay rent, all kinds of taxes and other charges now payable or hereinafter to become payable in respect of the demised premises except property tax.
18. No structural change can be made by the lessee without the prior approval of Competent Authority. In case of violation of the term, the lessee will be penalized with fine amounting to Rs.50,000/- and any construction made in such unauthorized manner will be demolished and structure will be restored in original shape on the expenses of lessee.
19. That he will not, without the prior permission in writing of the lessor, use the demised premises for any purpose other than specified in agreement signed by the both parties.
20. That whenever such an interpretation would be necessary in order to give the fullest scope and effect legally possible to any covenant of contract herein contained the expression "the lessor's, here in before used shall include the owner for the time being of the lessor's interest in the demised premises and the expression "the lessee" herein before used shall include his heirs executors, administrators and permitted assignees.
21. That in case of any violation of aforesaid regulations or any other relevant laws by the lessee, the Director Estate Management, GDA the lessor is always authority to cancel the lease.
22. Lease shall be granted to lessee for a lawful business, the lessee wishes to commence as described in his application for grant of lease. In case, he changes the nature of business later on without the permission of Director

Estate management, his lease will be cancelled and security will stand forfeited in favour of the Authority.

23. The lessee will not do or permit to be done in or upon the demised premises or any part thereof, anything prohibited under the law of the land and will not create noise, pollution and difficulties for neighbours.
24. The lessee shall use his own electricity/water connection in the premises with prompt payment of electricity/water bills against the consumption and he will not sublet electricity/water connection to other lessee, and in case of violation he as well as other unauthorized beneficiaries shall be penalized with cancellation of his lease and forfeiture of security in favour of Authority or fine amounting to Rs.5000/- to both of them.
25. In case of any dispute or controversy with regard to the interpretation and the essence of the Agreement, the matter shall stand referred to the Director General, GDA and his decision in this regard shall be final.
26. That before the expiration of the lease period, either of the parties will have right to terminate the lease by giving 30 days prior notice for vacation of demised premises and in case of expiry of tenancy as per agreement of the parties, the possession of the lessee shall be deemed as unlawful adverse to the interest of the Authority and physical possession of the demised premises shall be taken over by the Authority under the provisions of Development of Cities Act, 1976.
27. **Appeal:** A lessee aggrieved by the order of cancellation of lease and other matters may file an appeal with the Director General, Gujranwala Development Authority, Gujranwala within period of 30 days.
28. **Second Appeal:** An appeal against the orders of Director General can be filed by either of the parties before the Secretary HUD & PHE Department within 30 days of the orders passed by Director General, Gujranwala Development Authority, Gujranwala.
29. The Authority may lay down other terms and conditions as deemed appropriate at any time as and when required and lessee will be bound to accept the same.

B: REGULATION FOR PETROL PUMPS / CNG STATIONS SITES

1. Authority shall lease out a petrol pump site for a period of initially 18 years through open auction. However, total lease period (including extensions) shall not exceed 33 years extendable upto 15 years but not more than 5 years at a time.
2. The lessee shall be offered further lease period before expiry of existing lease period at the market rate which shall not be less than 5% of assessed value of the land determined on the basis of valuation table notified under Stamp Act, 1899 per annum. After the refusal of lessee the property shall again leased out through open auction under the provisions of these Regulations.
3. The legal occupant of the immovable property shall be allowed the right of first refusal of the highest bid. If he will not be willing to accept the offer then highest bidder will be allotted property.
4. Fixed security amounting to Rs.100,000/- per marla or equal to one year rent whichever is higher will be deposited by the lessee in GDA account before execution of agreement and within 15 days of approval which will be refunded at expiry of agreement after deduction of outstanding dues if any.
5. The security deposit will remain with the Authority till the expiry of the lease or tenancy period and the lessee or tenant will be entitled to seek its refund on the expiry of the lease/tenancy period. No profit on deposited amount can be claimed by the tenant/lessee. After the deduction of all the outstanding liabilities, dues etc. remaining security amount will be paid to the tenant.
6. Monthly/annual lease money (rent) will be fixed through open auction.
7. The reserve monthly/annual lease money (rent) of the site shall be determined by the Competent Authority or Committee or a person appointed for this purpose by the Authority.
8. Any person/firm/company shall be entitled to bid in the open auction on payment of earnest money i.e. 2% of the security amount.
9. The highest bidder shall initially deposit one year rent in advance within 14 working days of approval and thereafter, will pay on the same pattern

thirty days prior to the completion of each one year. However, the time period for deposit annual rent will be extended by Director General upto 03 months in special circumstances.

10. If the bidder fails to deposit the initial one year rent, the already deposited earnest money shall be forfeited in favour of Authority.
11. In case of default the lessee shall be bound to pay the surcharge at the rate of 17.5% per annum. However the lessee would not be entitled to make the payment beyond the period of 2 months with surcharge. On expiry of 2 consecutive months the lessor shall be fully competent and authorized to take over the possession of site along-with structure without any notice. No compensation for existing infrastructure shall be paid in any manner whatsoever.
12. There will be 10% increase on existing rent after expiry of every one year.
13. On approval of bid, the earnest money shall be adjusted towards deposit of advance amount of security. However, in case of non-acceptance of bid, within 45 days, the earnest money thereafter shall be refunded. In case no communication is made in respect of approval or rejection of bid within time stipulated above, the bid shall lapse and bidder may withdraw his deposited money thereafter.
14. The bidder on communication of approval of his bid, within 21 days (including holidays), shall approach the Authority for the execution of the lease agreement. All expenses in respect of execution of agreement will be borne by the bidder. Failure in execution of the agreement on the part of bidder, within stipulated time, will result in cancellation of bid along-with forfeiture of money deposited till such time.
15. The rent/lease period shall commence from the effective date which will be date of possession of the site. In case of failure on the part of bidder to take over the possession within 30 days after the execution of agreement, the lease agreement shall be cancelled after affording 15 days' time through notice for taking over the possession of the site. The money so deposited with the Authority in case of cancellation shall be forfeited.
16. The lessee will construct all kinds of building etc on his own expense after the approval of plan by Competent Authority.

1. The lessee will be bound to hand over the rented unit to GDA after expiry of lease in same condition which was at the time of taking of possession from GDA. All the structures and permanent fixtures shall become the property of lessor.
18. The lessee will apply for all utility connections at his own expense
19. If any tenant/lessee dies during the rent/lease period his lease/tenancy rights will be transferred by the authority in favour of his legal heirs declared by the Civil Court.
20. The leased/rented petrol pumps/CNG stations shall be non-transferable and cannot be sub-let or transferred by mortgage. In case of sub-letting or transfer by mortgage the lease/rent agreement shall stand canceled, where after the Authority shall be entitled to resume the possession. In such like situation the security amount shall be forfeited after deduction/adjustment of outstanding dues.
21. If any construction is carried out by the lessee in the allotted premises for his business requirement shall also be deemed to be included in the premises. The construction will be in accordance to GDA Rules and Regulations, and other existing building by-laws after seeking the required NOCs.
22. That even after the above said construction the lessee may design, alter and modify the said premises and its front/elevation in any shape and form that may be convenient to the lessee keeping in view its business requirements and to place its equipments in or on roof top of the premises. The lessor will provide the necessary NOCs related to GDA. The lessor shall not create any hindrance in any manner whatsoever in any modification or reshaping of the said premises, in case the construction is made in accordance with GDA building bye-laws and regulations. However, lessee will get permission from lessor in case of any internal or external structural changes.
23. All taxes/duties pertaining to the leasehold shall be borne by the lessee during the period of lease.
24. The lessee shall have the right, at the end of the lease or upon its expiry or earlier termination to take away the equipment, furniture, fixtures, generators (genset), air conditioners, other accessories, items of interior decoration that are detachable and moveable from the structure or leave

the same in the premises. If the lessor is willing to buy them at price acceptable to the lessee, separate terms and conditions will be settled between the parties, if needed so.

25. At later stage during the period of lease if on the instructions of Government or due to some other unavoidable circumstances, it is not possible for the lessor to further continue the lease or the lessor wants to auction or sell the property, on the orders of competent court of law, lease shall stand terminated and the lessee shall claim no loss or damages from the lessor.
26. In case of any dispute between the lessee and oil or gas company, the lessor will not be a part in such dispute and the lessee shall resolve such disputes at his own level.
27. In case of any litigation arises, whether civil or criminal nature during that period of lease, the lessee himself shall be responsible for such litigation and all the expenditures in this regard will be borne by the lessee and lessor will be exempted from any liability.
28. Lessee shall arrange complete system of Fire Extinguisher and other safety measures, in case of any incident the lessee himself shall be responsible for the loss caused and in case some loss is caused to the property of Authority, the lessee shall be responsible to make good such loss caused to the property of the Authority.
29. The lessee will be responsible for watch and ward/security and will follow the Government instructions in this concern time to time.
30. That before the expiry of the lease period, either of the parties has right to terminate the lease by giving 30 days prior notice for vacation of demised premises and in case of expiry of tenancy as per agreement of the parties, the possession of the lessee shall be deemed unlawful and adverse to the interest of the Authority and physical possession of the demised premises shall be taken over by the Authority under the provision of Development of Cities Act, 1976.
31. **Appeal:** A lessee aggrieved by the order of cancellation of lease and other matters may file an appeal with the Director General, Gujranwala Development Authority, Gujranwala within period of 30 days.

32. **Second Appeal:** An appeal against the orders of Director General can be filed by either of the parties before the Secretary HUD & PHE Department within 30 days of the orders passed by Director General, Gujranwala Development Authority, Gujranwala.
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