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PART-I

LAND UTILIZATION DEPARTMENT

Karachi dated the 07th February, 2024.

NOTIFICATION

No. 09-294-03/SOL/228 :- In exercise of the powers conferred under section 39 of the Colonization and Disposal of Government Lands Act, 1912, the Government of Sindh are pleased to make the following Rules:-

1. (1) These rules may be called the Colonization and Disposal of Government Lands (Sindh) Rules, 2024; Shot title, commencement and application.

(2) They shall come into force at once.

(3) They shall be applicable to all kind of leases including sanads under various Statements of Conditions issued under the Act and any other law for time being in force.

2. (1) In these rules, unless there is anything repugnant in the subject or Definitions. context -

- (a) "Act" means the Colonization and Disposal of Government Lands Act, 1912;
- (b) "Auction Committee" means a committee notified at district level comprising the Deputy Commissioner of the concerned District, Chief Executive of the Local Council concerned, and District Accounts Officer of concerned District or in case of Karachi Division, a representative of Finance Department not below the rank of BS-18 Officer;
- (c) "base-price" means the price determined in accordance with these rules and the relevant Statement of Conditions;
- (d) "Board of Revenue" means the Board of Revenue established under the Sindh Board of Revenue Act 1957 (Act No. XI of 1957);
- (e) "Cabinet Committee" means a Committee or Sub-Committee constituted under the rule 37 of the Sindh Government Rules of Business 1986 with authorization to take final decision for the purposes of these rules;
- (f) "Company" means a Company defined in the Companies Act 2017 (XIX of 2017);
- (g) "District Base Price Assessment Committee" means a Committee notified at district level and comprising the Deputy

Commissioner of the concerned District, concerned District Registrar, a representative of Finance Department, Assistant Commissioner of the concerned Taluka, Mukhtiar of the concerned Taluka, two representatives of local Chamber of Commerce and Industries (to be nominated by the President of the concerned Chamber), and one representative from local real estate business (to be nominated by the Chairman ABAD);

- (h) "lessee" means the person or entity to whom land has been leased out or granted under these rules and relevant Statement of Conditions including holder;
- (i) "market price" means the market price and includes occupancy value of the land prevailing at the time of disposal of the land by the Government under the Act;
- (j) "non-agricultural purpose" means any purpose relating to disposal of land other than agriculture land;
- (k) "prohibited areas" means an area of land mentioned in rule 5;
- (l) "Provincial Base Price Assessment Committee" means a Committee comprising the Senior Member Board of Revenue Sindh, Member Land Utilization Department, Secretary Finance Department, Secretary Local Government Department, Secretary Investment Department, Commissioner of the concerned Division, Director General Sindh Environment Protection Agency, Secretary Industries and Commerce Department, Two representatives of Karachi Chamber of Commerce and Industries (to be nominated by President of the Chamber), Chairman ABAD, One Representative of Real Estate Business (to be nominated by the Chairman ABAD), and any other member(s) co-opted with the approval of the Senior Member Board of Revenue, Sindh;
- (m) "Schedule" means Schedule appended to the relevant Statement of Conditions; and
- (n) "sea-shore" means the land between high and low-water marks of coastline including islands, wasteland, creeks, reclaimed land and mangroves habitat along internal waters of sea.

(2) The terms and expressions used but not defined in these rules shall have the same meaning as assigned to them respectively in the Act.

3. The land for agriculture and non-agricultural purposes shall be granted by the Government subject to the provisions of the Act, these rules and the relevant Statement of Conditions issued under section 10 of the Act. **Authority for granting the land.**

4. The disposal of land shall be initiated from wide publication to ensure participation of the public at large along with open auction and/or as expressly provided under these rules in the public interest to ensure transparency in process, openness in procedure, and value for money by setting base prices considering the evaluation criteria of market prices under these rules. **Non-discretionary process of disposal of land.**

5. (1) No lease or allotment or grant is allowed within the limits of motorways, superhighways, national highways, roads, jails, railway lines, irrigation channels, wildlife sanctuaries, national parks, mountain ranges, heritage sites, religious sites, graveyards, forest land including mangroves habitats and protected forests, wastelands, wetlands, "dhoras"/depressions, sea-creeks, river deltas, inland waters, historical waterways, vital security installations, port and sea shore. **Prohibited Areas.**

(2) No land which is already reserved or is being used for any specific public purpose shall be disposed of without its relinquishment by the concerned department or organization of the Government in the form of No Objection Certificate issued after following prescribed procedure, with the approval of the Government:

Provided that the land reserved or being used as wildlife sanctuaries, national parks, heritage sites, forest land including mangroves habitats and protected forests, sea creek, river delta, wetlands, internal waters or sea shore shall not be disposed of, in any case.

6. (1) The land for non-agricultural purposes shall be granted or extended for a period not exceeding ninety-nine years as may be fixed by the Government under the relevant Statement of Conditions issued under section 10 the Act. Period of Grant.

(2) The land for agriculture purposes shall be granted or extended for a period as may be determined by the Government under the relevant Statement of Conditions issued under section 10 the Act.

7. All leases and sanads under these rules shall be subject to the provisions of any Federal and Provincial laws, rules or regulations relating to land, mining, forest, irrigation, wildlife, maritime zones, local government, wetland conventions, regulatory agency and other relevant laws. Applicability of Federal and Provincial laws.

8. (1) The land shall only be disposed of through an open auction except as expressly provided under the Act or these rules and in accordance with relevant Statement of Conditions. Lease through open auction.

(2) Any individual or a company or consortium may participate in the open auction under these rules or the relevant Statement of Conditions.

9. (1) Subject to the provisions of the Act, these rules and relevant Statement of Conditions, Government may dispose of land, without auction proceedings, in the following cases of public purpose:- Disposal of land through single source.

- (a) For Ministries and/or Departments of the Federal or Provincial Governments including their attached departments;
- (b) For Companies with equity participation of the Federal or Provincial Governments;
- (c) For Foreign Governments through their Diplomatic Missions; and
- (d) For purposes of diplomatic, judicial, charitable, educational, healthcare, religious, vocational training and large scale investments of a value not less than ten Million USD as Government may decide in the public interest.

(2) In case of disposal of land through single source, the Board of Revenue, Sindh shall submit the case to Government for approval with terms and conditions as prescribed by Government:

Provided that the rates for lease through single source shall be determined by the District and Provincial Base Price Assessment Committees constituted under these rules and the relevant Statement of Conditions.

10. Government, on its behalf shall notify the Cabinet Committee for the approval of base prices recommended by the District and Provincial Base Price Assessment Committees under these rules and relevant Statement of Conditions and/or perform any other function as assigned by Government under these rules. Cabinet Committee.

11. (1) The Collector may identify and recommend the land to be auctioned to the Land Utilization Department, Board of Revenue which shall be placed in the Schedule of the relevant Statement of the Conditions with the approval of the Cabinet Committee: Schedule.

Provided that no disposal of land shall take place without the approval of the Government.

(2) Except for the prohibited areas and the land reserved for amenity purposes, the Land Utilization Department, Board of Revenue may also include or exclude any land which is reserved for or being used by any department or organization of Government, on its relinquishment by the concerned department or organization of Government, for the purposes of disposal of land, subject to the rules or regulations of master planning, classification and zoning of that area, No-Objection Certificate of such concerned Department or organization of Government and Sindh Environmental Protection Agency and/or regulations of any other relevant regulatory agency already determined under any law.

12. (1) The District Base Price Assessment Committee shall seek the valuation report for determination of the base-price of the land in the Schedule from two evaluators listed under the Pakistan Banks' Association considering following evaluation criteria of market price: Assessment.

- (a) Subject to the provisions of the Act, 2/3rd of open competitive market value of similar category private land in the adjoining areas in immediate vicinity of the land under consideration;
- (b) Change in price of land during last one year and reflecting the same in terms of percentage ratio into market price considered under clause(a) above;
- (c) Federal Board of Revenue (FBR) Property Valuation rates for such land(s);

Provided that such assessment shall be applicable for a period of 365 days from the date of notification of the base-price till finalization of auction proceedings. On expiry of such period before the finalization of auction proceedings, the base-price shall be re-assessed as prescribed under these rules and the relevant Statement of Conditions.

(2) The Provincial Base Price Assessment Committee shall consider the proposal of the District Base Price Assessment Committee and place the proposal and its recommendations before the Government for approval.

(3) The Government may consider the recommendation so received and grant the approval to the base price for open auction.

13. (1) The auction shall be held after wide publicity and advertisement in at least three leading daily newspapers in English, Urdu and Sindhi languages, to be made not less than thirty (30) days before such auction. **Procedure of open auction.**

(2) The auction shall be conducted by the Auction Committee authorized in this behalf by Government in the presence of independent observers.

(3) The intending lessee shall bid in person or through a duly authorized agent.

(4) The bidders shall deposit 10% of the base-price in advance as Security Deposit as prescribed.

Step 1 – Bidding on Base Price

(5) The highest bidder of the first bidding day shall provisionally be recorded and announced in open auction and shall be published on the website within twenty four hours of the proceedings.

Step 2 – Competitive process for ensuring maximum Market Rates

(6) In case of any person who intends to offer a higher price not less than twenty percent of highest bid of the first bidding day in step-1, he shall, in next seven days, present an advance pay-draft in the name of Government Treasury of the value offered as above to the Auction Committee, for consideration in final determination of the auction proceedings.

(7) After the expiry of seven days, the highest bid received through advance pay-drafts of full value as under sub-rule (6) above, the same shall be communicated to the highest bidder of the first bidding day (step-1) for exercising the first right of refusal, on similar terms including 100% advance

payment in the form of pay-draft to be deposited in Government Treasury, within next three days.

Step 3–First Right of Refusal and ensuring Competitive Market Rates

(8) After expiry of next three days of deadline given to the highest bidder of the first bidding day (cumulatively after ten days in total, after the first bidding day), the Auction Committee shall announce the final successful bidder on the basis of the highest price offered in Step-1 or Step-2 as the case may be, and shall also be published on the website:

Provided that in the event that no offer is made during Step-2 process, the highest bidder in Step-1 shall be final and he shall be required to deposit 25% of the bid amount within next three days.

Step 4- Ensuring timely Payments

(9) The bidder whose bid is accepted shall pay the balance of the price within next sixty days of the acceptance of bid; provided that the Board of Revenue may in suitable cases extend the period for one time only, which shall not in any case exceed ninety days from the date of acceptance of the bid.

Step 5- Ensuring penalties for defaulters

(10) If the bidder fails to make any payment in accordance with these rules and relevant Statement of Conditions, the security deposit shall be forfeited to Government and the land shall be re-auctioned at the risk of the bidder and all liabilities incurred, and losses, if any, sustained by Government by re-auction of the land shall be recovered from the bidder as arrears of land revenue. If any bidder defaults in more than one auction, he shall be blacklisted from all future auctions under these rules.

14. (1) Subject to Section 10-A of the Act, the disposal of land shall be made through an open auction at a price, which shall not in any case be less than the base-price. Grant of Lease.

(2) The Land Utilization Department shall, immediately after the full payment(s) have been made and the recommendations received from the Collector concerned on the basis of proceedings of the Auction Committee, submit the case before the Government for consideration and necessary orders for disposal of land subject to compliance of the provisions of the Act, rules and the relevant Statement of Conditions:

Provided that in case no order has been passed within forty-five days of submission of case before the Government, it shall be deemed to be approved by the Government.

15. (1) Subject to sections 10-C and 38 of the Act, the extension of any expired or prevailing lease or sanad, as the case may be, issued for any purpose under the relevant previous Statement of Conditions or any other law, for time being in force, for a period under specific terms and conditions, with Extension of period.

currently verifiable possession and record certified by the Collector concerned, Government may grant extension for such period as it may determine but such extension shall not exceed ninety-nine years:

Provided that in case of extension of lease or sanad for a period upto ninety-nine years or otherwise, the rates for such extension shall be occupancy value at the market rate under these rules, which in any case shall not be less than 1/3rd of the market price of such land, to be determined by the District and Provincial Base Price Assessment Committees under these rules and the relevant Statement of Conditions or any other law and terms and conditions, for the time being in force:

Provided further that the Board of Revenue, Sindh may grant an extension of a period under this rule, subject to general procedure laid down by Government.

(2) Subject to completion of codal formalities and the law, the cases of extension of any lease and/or sanad shall be processed and disposed of through digital platform of e-Services Sindh and e-Pay Sindh preferably within a period not more than sixty days from the date of the application.

16. Except the land granted for amenity purpose and subject to section 24-A of the Act, Government may change the land use for the land granted for agriculture, residential, residential-cum-commercial and industrial purpose in accordance with section 10-E of the Act on payment of the differential price (malkano), if any, as determined by the District and Provincial Base-Price Assessment Committees under these rules and the relevant Statement of Conditions, but shall not be less than 1/3rd of the market price for such land in any case, and/or on such terms and conditions as may be determined by the Government subject to the rules or regulations of master planning, classification and zoning of that area, No-Objection Certificate of Sindh Environmental Protection Agency and/or regulations of any other relevant regulatory agency already determined under any law: Change of land use.

Provided that such provision of change of land use shall not be applicable to any amenity land or any land already reserved or granted by Government for any public purpose or for any department and/or attached departments or for any change in land use identified in violation of zoning and classification provided under the Master Plan of that area, regulations of Sindh Environmental Protection Agency and/or regulations of any other relevant regulatory agency already determined under any law:

Provided further that Government shall require a lessee to wait at least ten years after granting of any lease or sanad prior to exercising its discretion under section 10-E of the Act.

17. (1) Subject to sections 10-D, 24, 24-A and 27 of the Act, in case of misstatement or concealment of facts or violation of any Statement of Condition, the Collector shall impose a penalty or to cancel the lease after giving an opportunity to be heard in accordance with the provision of section 24 of the Act: **Cancellation and resumption.**

Provided that before penalty or cancellation of lease, a notice shall be issued by the Collector to provide a reasonable period of not less than thirty days, from the date of notice, to rectify the misstatement, concealment of facts or breach/ violation of the Act, these rules, terms and relevant Statement of Conditions.

(2) In case of cancellation of the lease or sanad, the land shall be resumed and superstructure thereupon, if any, shall be forfeited in favour of Government.

(3) The arrears of land or loan, if any, shall be recovered from the lessee under any law for the time being in force.

(4) In case of cancellation and resumption, no compensation shall be granted to the lessee.

19. Government may at any time resume the land granted on lease if the whole or any part thereof is required for public purposes on refund of the lease money deposited by the lessee and such additional sums as may be determined by the Collector in accordance with the Land Acquisition Act for the improvement, if any made by the lessee on the land. **Resumption of grant for public purposes**

20. After the grantee has paid the lease money and other fees including survey charges as applicable, a lease agreement shall be executed, stamped and registered by the lessee at his own cost. **Execution of Lease Agreement Deed.**

21. Subject to the Section 38 of the Act, the Sindh Colonization and Disposal of Government Lands Rules, 2005 and other existing rules dealing with the matter by these rules are hereby repealed: **Repeal and Saving**

Provided that nothing in these rules shall affect any things done under repealed rules or under decree or order made in accordance with them prior to the date of commencement of these rules.

SECRETARY TO GOVERNMENT OF SINDH
LAND UTILIZATION DEPARTMENT