

OFFICE OF THE MANAGING DIRECTOR,
CHOLISTAN DEVELOPMENT AUTHORITY, BAHAWALPUR

NOTIFICATION

Bahawalpur, date the ____5th January____2010.

No. ___CDA-2010/COL/1279___ . In pursuance of the provisions of clauses (i) and (iii) of sub-section (2) of section 16, read with section 15, of the Cholistan Development Authority Act, 1976 (XIV of 1976), the Cholistan Development Authority (hereinafter referred to as the Authority) is pleased to issue, with the previous approval of the Government of the Punjab in the Colonies Department, the following statement of conditions on which the Authority is willing to grant to certain Companies registered under the Companies Ordinance, 1984 (Federal Ordinance XLVII of 1984) lease of *Banjar Qadeem / Barani* State land (transferred to the Authority for management), for the purpose of livestock, dairy, small ruminants or poultry breeding, namely:

1. **General:-** (1) This statement of conditions is issued subject to the provisions of the Colonization of Government Lands (Punjab) Act, 1912, the general colony condition of 1938 published with Punjab Government Notification No. 5782-C, dated 29-06-1938, as amended, and the Cholistan Development Authority Act, 1976, so far as applicable.

(2) The Government is prepared to grant lease of land under these conditions to certain companies registered under the Companies Ordinance, 1984:

Provided that no company shall be entitled as of right to receive a lease.

(3) The Board of Revenue may at any time issue such instructions, not inconsistent these conditions, as it may deem necessary for carrying out the purposes of these conditions.
2. **Exceptions and reservations:-** (1) Unless it is otherwise specifically provided, the following shall be deemed to have been expressly excluded from every grant.

(i) all mines, minerals and quarries including all substances of mineral nature which may be excavated from the earth, whether on the surface of or under the land, with liberty to search for, work and remove the same, as full or any part thereof as if the lease had not been granted;

- (ii) Lands reserved / earmarked for allotment under permanent schemes;
 - (iii) All rivers and streams with their beds and banks;
 - (iv) All water courses and drainage channels;
 - (v) All public thoroughfares existing on the land are to be constructed in the future as shown in the plans which are open for inspection at the office of the Collector;
- (2) Lease under these conditions shall be subject to all rights of way, water and easements, if any, subsisting on the land;

3. Application:- (1) The Authority, with the prior approval of the Board of Revenue, is prepared to grant lease of *Banjar Qadeem / Barani* State land in the Cholistan Area to certain Companies, whether local or foreign, registered under the Companies Ordinance, 1984, which are prepared to invest in livestock farming by importing exotic breeds or by upgrading / improving genetics of locally available breeds by using technologies of crossing local breeds with internationally acclaimed breeds to develop an upgraded local gene pool and / or for fattening of calves, for which linkages with the local community shall be maintained.

(2) For the purpose of poultry farming, land shall only be leased out to a Company registered under the Companies Ordinance, 1984 which is willing to investing placing Grandparents breeding flocks.

(3) An applicant desirous of applying for lease of land under this statement of conditions, shall do so by filing online application form provided on the Authority's website (form is also appended to this statement of conditions). Wherein the company's incorporation certificate number, the area of land and a reference number of Bank Guarantee equivalent to Rs. 25,000/- per acre for the land applied for, would be essential to entertain an application. The authority, on receipt of a hard copy of the Bank Guarantee and performance Bond as per format provided on the website of the Authority shall, after due verification, decide the fate of the application within 30 days.

(4) The lease shall, prior to execution of provisional lease agreement and receiving the possession of the land, execute a performance bond and shall furnish a Bank Guarantee of Rs. 25,000/- per acre for land leased during the year 2010 and thereafter the Bank Guarantee amount for land leased subsequent to year 2010 shall be increased by 0.5 percent each successive year as a guarantee to make an investment on the land meeting the conditions set forth herein.

4. Unit of Area for Lease: - (1) An area of 500 acres is considered sufficient for

each livestock farm for maintaining 200 breeding cows for upgrading breed for dairy purposes and for the purpose along with fattening of 2400 calves per annum.

(2) For the purpose of livestock, dairy and small ruminants, land shall be leased in lots of 500 acres each.

(3) A Company interested in investing higher sums of money, may be leased two or more lots for proportionately larger production and investment.

(4) For each Grandparent or Great Grandparent Project, an area of 800 acres for a complex of four farms for maintaining different age groups at one location may be leased.

5. Grant of Lease:- (1) In the first instance, land shall be provisionally leased out by the authority, with the approval of the Board of Revenue, for livestock or poultry farming for a period of fifty years and an agreement in this behalf shall be executed between the Authority and the lessee. After execution of the lease agreement, the Collector shall by order in writing, put the lessee in possession of the land.

(2) The period of lease shall commence with effect from the date on which the lessee is put in possession of the land.

6. Purpose and use of land:- (1) A lessee under these conditions shall not use the land or any part thereof for any purpose other than the one for which lease has been given: provided that he may erect farm buildings, construct tube-wells / wells or tanks or make any other improvement needed for better use of the land or required for introductions of modern technological practices relevant to the purposes of the lease.

(2) The land shall be used only for the purpose, for which the land has been leased.

(3) In case of Poultry Farming, land shall be leased for the exclusive purpose of placing Grandparents or Great Grandparents to produce genetic material essentially under license of an internationally acclaimed breeding company.

(4) The land in-between two poultry complexes may be leased for the purpose of agriculture only.

(5) For poultry farming, bio-security shall be a paramount consideration to keep flocks free of transmittable airborne viruses such as Avian Influenza, New Castle and Bursel disease for the supply of disease free downstream production. As such, land shall be leased maintaining a minimum farm complex to farm complex, an aerial distance of five kilometer in radius among different entities and at least one

Kilometer aerial distance between farms belonging to one single entity within a complex.

7. Layout plan of farm:- (1) The lessee, while planning the layout of a livestock farm, will ensure that the animal area is established in the center of the land so as to maintain a minimum distance of one Kilometer from the other farm's animal area.

(2) The layout plan of the farm shall be approved by the authority.

8. Growing of fodder:- (1) The lessee shall have a right to grow fodder for the purpose of feeding the livestock.

(2) The lessee, for the purpose of growing fodder, etc; shall use pressure irrigation technologies. Use of flood irrigation would be prohibited.

9. Payment of lease money:- The lessee shall pay to Government, through the Collector, lease money at the rate Rs. 500/- per acre per annum payable each year in advance, which may be increased at a rate ten percent after every five years. In the event of failure to pay the lease money, the lease shall be liable to be cancelled by the Collector without payment of any compensation.

10. Payment of Government taxes etc:- (1) The lessee shall pay to the Government all taxes, land revenue assessment, occupier's rates, cesses and other charges in respect of the land under lease, as may be payable in accordance with the existing law and policy of the Government.

(2) Wherever canal water is provided to the land by the Irrigation department, the lessee shall pay Abianan in accordance with existing law and rules.

11. Investment:- (1) In the case of lease for livestock farm, a minimum investment of Rs. 100,000/- per acre or as per investment plan, whichever is higher, shall be made on the leased land. The minimum investment on leased land granted subsequent to the year 2010 would be increased at the rate of ten percent each successive year. The said amount shall be invested in developing the land, the infrastructure, pressure irrigation system, fodder production and livestock.

(2) That minimum 40 percent of the total cost of the project shall be invested within a period of twenty four months and another thirty five percent within next twelve month and the balance twenty five percent within another twelve months thereby investing the total cost of the project in 48 months.

(3) A minimum investment of Rs. 200,000/- per acre or as submitted investment plan, whichever is higher, shall be invested in infrastructure, state-of-the-art housing and breeding stock necessary to bring the breeding farm at par with international

standards. The minimum investment on the land leased subsequent to the year 2010 shall be increased by ten percent each successive year.

12. Placing of Livestock:- A minimum 25 percent of the livestock in proportion to the land shall be placed within a period of twenty four months of taking over the possession of the land and another 25 percent shall be placed in the next twelve months. The balance 50 percent shall be placed within another twelve months thereby completing the project in forty eight months.

13. Completion of Project:- (1) Subject to the provision of sub-para (2), each farm should be completed within a period of 36 months of taking over the possession of the leased land. In case of a complex of four farms, envisaged to be established for maintaining different age groups, the complex should be completed within a period of eight years. The first unit shall, however, be completed within a period of 36 months. Breeding Flocks will be placed promptly on completion of each unit.

(2) In the event of subsoil water quality being unfit to serve the objectives of the lease as also confirmed by the Department of Livestock & Dairy Development, the lessee will have the option to surrender the lease, consequent to which the Authority shall release the Bank Guarantee and authorized the lessee to remove all equipments and infrastructure and handover the possession of the land to the Collector within the time specified by the Authority. The lessee shall not be entitled to any compensation from the Authority or the Government.

14. Audit:- (1) An independent auditor shall be appointed by the lessee, out of a list of auditors approved by the Board of Revenue, to issue a certificate confirming or otherwise compliance in terms of items (1), (2) and (3) of clause 11 and clause 12 and 13 above.

(2) The auditors shall be charged with the responsibility of carrying out a progressive biannually audit for direct submission to the Authority and should submit the final report within three months of the expiry of the specified laid down period herein or earlier on compliance, clearly stating whether or not amounts of investments made by the lessee are in conformity with the agreement.

(3) The audit fee shall be paid by the lessee directly to the auditors.

15. Obligations of the lessee:- (1) The lessee will undertake to adopt all necessary bio-security measures as laid down from time to time by the livestock and Dairy Development Department.

(2) The lessee will endeavor to maintain linkages with the local population / livestock for their socio-economic uplift.

16. Confirmation of lease:- On successful utilization of the leased land as certified by the auditors, the Authority shall execute a lease deed in the prescribed form confirming the leases hold rights on the provisional lessee for a period of 50 years within 30 days of receiving the auditors certificate. On the lapse of thirty days, the lease shall be deemed to have been executed and the concerned Revenue Officer / Registrar on production of auditor certificate will affect the transfer of land in the name of the lessee.

17. Auditor's certificate:- The lessee shall submit annually an auditor's certification of production, sale volume and values during the financial year on the format prescribed by the Authority for confirming that the land continues to be used for purpose of the lease.

18. Extension of lease:- The lease on expiry of 50 years shall be extendable at the option of the lessee for a further term of 49 years subject to the conditions herein.

19. Inspection:- The Livestock and Dairy Development Department shall carry out minimum one annual inspection of the farms to confirm whether or not the land is being utilized for the specific purpose of the lease.

20. Prohibition to sublet etc:- the lessee shall neither sublet the land nor execute a power of attorney whether revocable or irrevocable, special or general, in favour of any person envisaging management, cultivation or alienation of the land.

21. Transfer:- The lessee may after confirmation of the lease under clause 16 above transfer the leasehold rights to another Company, with the prior approval in writing of the Authority.

22. Hypothecation of land:- (1) The lessee shall have the right to mortgage the lease hold rights in the land along with the structure thereon for obtaining financial assistance from any bank/financial institution, in furtherance of the purpose of the lease. Intimation of such mortgage shall be given to the Authority.

(2). In case the lessee is in default of a bank loan raised for investment on the leased land then in such a case the land, at the request of the bank, shall be transferred by the Government in the name of the bank or their nominee to be utilized only for the specific purpose of the lease for the remaining period.

23. Resumption:- if these fails to perform or commits any breach of any of the terms and conditions of the lease or suffers or permits such breach or non performance, the Collector may at any time thereafter determine the lease and resume possession of the land.

24. Compensation:- The lessee shall not at the termination of the lease or on its

determination earlier for a breach of any of the terms and conditions be entitled to any compensation whatsoever, for un-cut and un-gathered crops, buildings and tube-wells existing on the land and these shall become the property of Government if not removed within the period prescribed by the Collector.

25. Arbitration:- (1) if any dispute shall arise in any way connected with or arising out of the conditions of lease, or the meaning or operation of any part thereof or the rights, duties or obligations of the Government or the Authority or the lessee then save in so far as the decision of any such matter has been hereinbefore provided for and has been so decided every such matter shall be referred to the arbitration of the Commissioner, Bahawalpur Division.

(2) The arbitrator shall have power to decide any matter so referred including the following questions.

(a) Whether any other provision has been made in this statement of condition for the decision of any matter and if such provision has been made whether it has been finally decided accordingly and

(b) Whether the lease should be terminated or has been rightly terminated and what are the rights and obligations of the parties as the result of such termination.

(3) The decision of the arbitrator shall be final and binding on the parties.

26. Interpretation:- In this statement of condition, unless there is anything repugnant in the subject are the context:-

(a) "Board of Revenue" means the Board of Revenue established under the Punjab Board of Revenue Act, 1957 (XI of 1957).

(b) "Collector" means an officer invested with the powers of Collector Cholistan area under the Colonization of Govt. land (Punjab) Act, 1912.

(c) "Government" means Government of the Punjab.

(d) "Lessee" means the company to whom lease of state land is granted under the statement of conditions and includes its successors in-interest.

**Managing Director
Cholistan Development Authority
Bahawalpur.**

Application
For Lease of Land in Cholistan for the Purpose of
Livestock, Dairy, Small Ruminants and Poultry Breeding

We, _____ (name of company),
holding Certificate of Incorporation No. _____ dated
_____ request for lease of _____ acres of land in the area of Cholistan
for the purpose of:

- Livestock
- Dairy
- Small Ruminants
- Poultry Breeding

We have obtained a Bank Guarantee No. _____ for the requisite amount of
Rs _____ (Rs 25000 x _____ acres of land applied for).

We have studied and understood the Terms & Conditions in details and do hereby
undertake to abide by all the Terms & Conditions for grant of State land on lease and
pursuant to Para-3, are forwarding a Performance Bond and the original Bank
Guarantee as an undertaking to comply with investment and production schedule at
Para-5, 8, 9 or in the case of Poultry, Para-14 & 15 along with a duly signed copy of the
Application.

Signed:

Chief Executive/Duly Authorized Representative

(Company Seal)

BANK GURANTEE

Issue Date : _____

Guarantee No : _____

Amount (PKR): _____

Expiry date : _____

(Note: Bank Guarantee shall be for a period of five years)

Managing Director,
Cholistan Development Authority,
Bahawalpur, Pakistan.

Contract Ref. : _____

Name of Company : _____

Registered Address : _____, Pakistan

Guarantor : Bank _____

: _____

: _____, Pakistan

Amount of Guarantee : PKR _____/- (Pak Rupees Only)

Whereas M/s. _____ herein after referred to as our Customer being an applicant for allotment of land in Cholistan from your goodself and that one of the condition to the Application is the submission of unconditional Bank Guarantee by our customer to your goodself for a sum of PKR _____/- (Pak Rupees _____ Only).

In compliance with the stipulation of the terms of Application, We _____ Bank _____, Pakistan hereby agree and undertake as under:

- a) To pay to you unconditionally on demand and / or without any reference to our customer an amount not exceeding the sum of PKR _____/- (Pak Rupees Only), as would be mentioned in your written Demand Notice.
- b) To keep this Guarantee in force till expiry.
- c) That the validity of this Bank Guarantee shall be until the original/extended period of the Guarantee. We on or before the expiry date, if any, must duly receive claim. Our liability under this Bank Guarantee shall cease on the closing of banking hours on the last date of validity of this Bank Guarantee, claim received thereafter shall not be entertained by us whether you suffer a loss or not. On receipt of payment under thus Guarantee, this document i.e. Bank Guarantee must be clearly cancelled, discharged and returned to us.

Issue Date : _____

Guarantee No : _____

Amount (PKR): _____

Expiry date : _____

- d) That you may amend/alter any term/clause of the Application or add/delete any term/clause to/from this Application without making any reference to us. We do not reserve any right to receive any such amendment/alteration or addition/deletion provided such like actions do not increase our monetary liability under this Bank Guarantee which shall be limited only to PKR _____/- Pak Rupees Only).
- e) That the Bank Guarantee Herein above given shall not be affected by any change in the constitution of the bank of customer/Seller or Lesser/Lessee.
- f) That this is an unconditional Bank Guarantee, which shall be encashed on sight on presentation of a written claim by the beneficiary forwarded after verification from his banks without any reference to our customer/Seller or Lesser/Lessee.

Our maximum liability under this Guarantee is limited to the sum of PKR _____/- (Pak Rupees Only). This Guarantee shall stand expired and become null and void at the official closing of counters of _____ Bank _____, Pakistan on _____.

Our obligation under this guarantee is limited to payment of claims in writing and lodged at the counters of _____ Bank, _____, Pakistan, on or before the Expiry Date, and immediately, thereafter, we shall stand fully discharged and released from any and all obligations, claims and liabilities under this guarantee whether or not this instrument of guarantee is returned to us or not.

Witnesses:

1. _____

2. _____

For & on behalf of
_____ Bank
_____ Branch
Pakistan.