

No.3/6/D-12(ML&C)/97-2007  
Government of Pakistan,  
Ministry of Defence (ML&C Deptt)  
Rawalpindi, the 31 December, 2007

To: The Director General  
Military Lands and Cantonments  
Rawalpindi

Subject: **REVISED POLICY OF CONVERSION OF PROPERTIES HELD ON OLD GRANT/CANTONMENT CODE LEASES INTO REGULAR LEASES UNDER THE CLA RULES 1937 AND CONVERSION/CHANGE OF PURPOSE OF REGULAR LEASES INTO FRESH LEASES**

In pursuance of President's and Prime Minister's directives, the Policy for Conversion of Properties held on Old Grant/Cantt Code Leases into Regular Leases under CLA Rules 1937 was introduced in 1996. In supersession of all Government orders/instructions issued on the subject, the Policy has been modified as under in the overall interest of the general public as well as the State. The conversion/change of purpose policy for the leases granted under CLA Rules 1925 and 1937 has also been brought in harmony with this Policy for public convenience.

### **PART I - OLD GRANT/CANTONMENT CODE LEASES**

#### **1. Conversion of Properties into Regular Leases Without Change of Purpose**

##### **a. Residential and Commercial Sites**

- (1) **Leases.** Shall be granted in Schedule 'IX-C' of the CLA Rules 1937, for a period of 99 years, renewable at the option of the lessee for another similar term.

- (2) **Premium.** Revenue Rates (Old DC Rates) will be applied as under:-
- (a) **Residential Properties**
- i. **Less than 5 Marlas (Inside/Outside Bazar Area).** Token premium of Rs. 100/- only.
- ii. **5 Marlas and Above (Inside/Outside Bazar Area).** 20% of the Revenue Rate (Residential) shall be charged.
- (b) **Commercial Properties (Inside/Outside Bazar Area).** 40% of the Revenue Rate (Commercial) shall be charged.
- (3) **Ground Rent.** Will be charged as under:-
- (a) **Residential Purpose.** Rs. 2 per sq yd per annum.
- (b) **Commercial Purpose.** Rs. 4 per sq yd per annum.
- (4) **Grantee/Code Lessee Does Not Want/Unable to Pay the Premium.** In case a grantee/code lessee does not want or is unable to pay the premium, he/she/they can request for surrender of land of equivalent value to the Government in lieu of premium subject to the following:-
- (a) The suitability of land being surrendered shall be determined by the sanctioning authority in consultation with the Garrison Commander.

- (b) The surrendered land 'Outside Bazaar Areas' will be reclassified as A-1 and 'Inside Bazaar Areas' as B-4.
  - (c) In case of unsuitability of land offered for surrender, the lessee will have to pay the premium, failing which the property will be resumed.
- (5) **Subdivision.** In case of subdivision, the minimum size of plot(s) permissible for lease shall be:-
- (a) **Outside Bazar Area.** 400 sq yds for residential purpose, and 100 sq yds for commercial purpose.
  - (b) **Inside Bazar Area.** The sizes of plots 'Inside Bazar Area' will be recommended by the respective Cantt Board according to the byelaws/zoning policy/ground reality.
- (6) **Internal Roads.** The width of internal roads for sites being subdivided shall not be less than 30 feet. Sites/holdings where internal road is already less than 30 feet wide shall be decided on case to case basis for regularization. No premium will be charged for internal roads.
- (7) **Areas Coming Under Roads.** The areas coming under roads shall be reclassified as 'C Land' and will be vested in the local Cantonment Board.
- (8) **Parking Space(s)/Set Backs.** The parking space(s)/set backs shall be left as per local byelaws of

the Cantt Board. The same will be ensured at the time of approval of building plans and during the construction phase.

(9) **Properties Contiguous to Two Zones.** If a property is contiguous to two rate zones/roads, the average of the two rates will be applied to the whole site while calculating the premium.

(10) **Development Charges.** Shall be paid to the local Cantt Board on the rate fixed by the respective Cantt Board for residential and commercial purposes.

b. **Leases for Hospitals, Educational/Training Institutions (Including Hostel Facilities), Museums and Libraries**

(1) **Noble Cause/No Profit Making Usage**

(a) **Leases.** The leases shall be executed in Schedule XI-A under CLA Rules 1937 for perpetuity.

(b) **Premium.** 10% of Revenue Rate (Commercial) as a one time measure for the whole site shall be charged. Later, if the lessee intends to convert into a profit making/commercial venture, he/she/they will only be allowed on payment of additional 40% of current Revenue Rate (Commercial).

(c) **Annual Ground Rent.** It shall be charged at Rs. 4/- per sq yd per annum.

**Note: Rules will be framed to carryout surveys of such properties to ensure that these are being used for the declared purpose.**

(2) **Profit Making/Commercial Usage**

- (a) **Leases.** The leases shall be executed in Schedule XI-A under CLA Rules 1937 for perpetuity.
- (b) **Premium.** 50% of Revenue Rate (Commercial) for the whole site shall be charged.
- (c) **Annual Ground Rent.** It shall be charged at the rate of Rs.4/- per sq yd per annum.

c. **Sites Held as Places of Worship**

- (1) **Leases.** Shall be executed in Schedule XI-A under the CLA Rules 1937 for perpetuity. Leases shall be granted only to Management Committee(s) duly registered under Societies Act and/or relevant laws. Aims and objectives/mandate of management committee(s) requesting for the lease of the place(s) of worship shall be checked by the Cantt Board for its authenticity and validity under the Societies Act/relevant laws.
- (2) **Premium.** Sites held as places of worship shall be leased out on payment of token premium of Rs. 10/- .
- (3) **Annual Ground Rent.** No ground rent shall be charged.

**Notes:**

- (a) ***Leases under this category shall be restricted to places of worship only and no***

***other category or purpose shall be covered under this type of lease.***

***(b) Policy will be framed by the ML&C Dept to carry out surveys of such properties to ensure that these are being used for the declared purpose.***

2. **Change of Purpose From Residential to Commercial.** Sites held for residential purpose may be leased out for commercial purpose subject to the following conditions:-

a. **Obtaining of NOC.** Following NOCs will be required:-

(1) **Sites Outside Bazar Area**

(a) **NOC from GHQ in consultation with services Headquarters concerned from mil / security pt of view.**

(b) NOC of the respective Cantt Board from municipal point of view.

(2) **Sites Inside Bazar Area.** NOC of the local Cantt Board from municipal point of view.

b. **Premium.** 50% of the Revenue Rate (Commercial) will be charged for conversion from residential to commercial lease in Schedule IX-C.

c. **Ground Rent.** The ground rent shall be charged at the rate of Rs. 4/- per sq yd per annum.

3. **General Conditions:**

a. **Already Paid Dues Cases.** Cases where grantees have already paid the dues but could not get the leases executed due to time lag/expiry of the Government letter etc, shall be dealt under the Old Policy.

b. **Settled Cases.** Shall not be re-opened.

Amended Mindef Itr No.3/6/D- 12 (ML&C)/97- 2007dt 27 Mar 2008.	vide
---	------

- c. **Cases Under Resumption.** Shall not be processed for Regularization.
- d. **Demarcation of Sites.** Will be carried out and field book be prepared in each and every case. In case the land in possession of the Grantee/Cantt Code lessee is extra or less, the following will be done:-
- (1) **Cases of Land Held in Excess.** Land in excess of the recorded area shall be offered to the grantee/lessee as a first right on payment of premium at the rate of 125% of the current Revenue Rate, failing which the excess area will be surrendered by the Grantee/Lessee. The suitability of surrendered land will be determined by respective Station Commander after approval from the Garrison Commander. The surrendered land will be transferred in favour of Military/Government if falling 'Outside Bazaar Area' and to the respective Cantt Board for 'Inside Bazaar Area'.
  - (2) **Cases of Less Land.** If the area is found less than the area recorded in the GLR, in that case, the area as per Field Book will be taken into account for the purpose of conversion into regular lease and the record will be amended as per the ground reality.
- e. **Jointly Held Properties.** In case(s) where the site(s) is/are held jointly by more than one grantees / Cantt Code lessees, it is mandatory that all the share holders should apply; however, lease(s) may be executed in the name of any one or more of the share holders subject to registered family

partition deed. The TIP Tax where applicable will be charged/paid on proportionate basis in accordance with the shares transferred.

- f. **Mortgaged Properties.** Cases of properties which are mortgaged with banks/other financial institutions against loans/advances shall not be processed unless clearance is obtained by the Grantee/Lessee from the concerned bank/financial institution.
- g. **Unauthorized Sales/Sale Agreement Cases.** These be regularized after due verification of the sale deeds/sale agreements/documents duly registered under the prevalent Registration Act and also after obtaining clearance from respective Garrison Headquarters through Station Headquarters. No sale agreement executed after the date of issue of this Policy will be accepted.
- h. **Cases of Unauthorized Change of Purpose.** Cases of unauthorized change of purpose, e.g. site for hospital/education purposes being used for commercial/other purposes and residential property being used for commercial purposes, will be treated as under:-
  - (1) **NOC.** NOC shall be obtained from the respective Garrison Headquarters through Station Headquarters.
  - (2) **Premium.** Shall be charged on Revenue Rate applicable for the said purpose.
  - (3) **Penalty/Composition Fee.** After approval of conversion, respective Cantt Board to charge due composition fee as per the existing rules.

- (4) **Resumption of Property.** Those who fail to pay the premium and composition fee, their property shall be resumed.
- j. **New Construction/Sale.** No new construction or sale shall be allowed in case of Old Grant/ Cantt Code Leases till such time the Regular Lease is executed under this Policy.
- k. **Already Issued NOCs.** NOCs once issued shall not be withdrawn.
- l. **Litigation Cases.** In case of litigation of Old Grant/Cantt Code Lease properties, the affected grantee(s)/lessee(s) cannot get their lease(s) converted till such time the litigation is decided or is withdrawn by the concerned party. Therefore, in such cases, the affected parties shall inform the concerned MEO about their litigation. On resolution of case(s), they should apply through MEO for grant of appropriate extension to get their leases converted. The same will be accorded by DG ML&C on case to case basis. The applicability of this Policy on such cases shall start from the date of NOC given by the ML&C Department.
- m. **Encroachments.** A large number of encroachments have been undertaken by the people. There is a need to carry out a detailed survey under respective Garrison/Station Headquarters through MEO concerned and all encroachments be removed.
4. **Sanctioning Authority.** Authorities competent to sanction the conversion of Old Grant/Cantt Code leases into Regular Leases and Change of Purpose under CLA Rules 1937 shall be as under:-

a. **Regional Directors ML&C**

- (1) All cases of residential sites 'Inside / Outside Bazaar Areas' and commercial sites 'Inside Bazaar Areas'.
- (2) All cases of leases held for Noble Cause and Places of Worship as outlined in Clauses 1b and 1c of the policy above after obtaining NOC from respective Garrison Headquarters through Station Headquarters.
- (3) All change of purpose cases 'Inside Bazaar Area'.

b. **DG ML&C**

Amended vide Mindef ltr No.3/6/D- 12 (ML&C)/97- 2007dt 27 Mar 2008.
--

- (1) All cases of commercial properties located 'Outside Bazaar Areas'.
- (2) Cases for regularization of all claimed to be fait accompli and cases involving unauthorized change of purpose 'Outside Bazaar Areas' after obtaining NOC from QMG's Branch, GHQ through respective Garrison Headquarters.
- (3) All Change of Purpose cases 'Outside Bazaar Area', after obtaining NOC from QMG's Branch, GHQ, through respective Garrison Headquarters.

5. **Implementation.** The above Policy is applicable for five years. Those who fail to get the relief, their properties will be resumed thereafter. The details are as under:-

- a. **First Two Years.** The given rates of premium will be applied. However, an incentive in the form of a 'Special Rebate of 1% on Premium' shall be given to the people who avail the option within the first year of issue of this Policy.

- b. **Next Three Years.** A surcharge at the rate of 5% of the given premium per annum shall be charged.
6. Flashman's Hotel comprising Survey Nos. 366, 405, 406 and 407 located at Rawalpindi Cantt will be kept outside the purview of this Policy as was done earlier.

## **PART II - REGULAR LEASES UNDER CLA RULES 1937**

### **7. Conversion of Leases/Change of Purpose**

#### **a. Rules / Procedure**

- (1) In relaxation of all existing rules and Government orders on the subject, the Policy in respect of conversion of leases/change of purpose of properties held on Old Grant/Cantt Code Leases as laid down in the preceding clauses shall apply mutatis mutandis for conversion/change of purpose of all properties held on regular leases under CLA Rules 1925 and 1937 into Schedule IX-C for residential/commercial purpose.
  - (2) The Provisions 5(a) & 5(b) under the heading '**Implementation**' shall not, however, be applicable in these cases.
- b. **Credit of Residual Period.** While converting a regular lease (not involving change of purpose) into Schedule IX-C, due consideration will be given to residual period of the old lease. In such cases, proportionate credit of the premium earlier paid for the residual period will be adjusted while calculating the new premium for conversion.

- c. **Expired Lease Cases.** This Policy shall also apply mutatis mutandis to cases of expired leases for granting fresh leases in Schedule IX-C for residential/commercial purpose, overriding all Government orders issued in this behalf till the date of issue of this Policy.
  - d. **Short Term Specific Purpose Leases.** The Policy laid down in Clauses 7a and 7c above will not, however, be applicable to short term leases granted for specific purpose for a period up-to a maximum of 30 years.
  - e. **Responsibility of MEO.** All consequential actions in respect of Change of Purpose, expired leases and conversion of leases from one Schedule to another in respect of CLA Rules 1937 shall be taken by the respective MEO.
8. **Zoning**
- a. **Existing Cantonments.** The respective Cantt Board shall carryout zoning as per byelaws/local conditions and development strategy.
  - b. **New Cantonments.** Zoning shall be ensured at the planning stage.
9. **Anomaly Committee.** An 'Anomaly Committee' comprising DG ML&C as Chairman and Director Lands, QMG's Branch, GHQ and a concerned officer nominated by ML&C Department as members, will sort out any anomalous situation arising from the implementation of this Policy.

Yours Sincerely,

Sd/xxxxxxx  
 FAKHAR IQBAL CHAUDHARY

(Section Officer)  
Government of Pakistan  
Tel : 9271450

Copy to:-

QMG, GHQ, Rwp	-	(10)
ACNS Suply Services	-	(2)
DCAS (Admin) AHQ Ckl	-	(2)
ASMF	-	(1)
FA(C&R) Rwp	-	(1)
AFA(Scale)	-	(1)
FA(Army)	-	(1)
FA(Navy) NHQ Islamabad	-	(1)
FA(AHQ) Islamabad	-	(1)
FA(Budget)	-	(1)

No.2805/Scales/ASMF/07-Sr.No.44  
Government of Pakistan  
Ministry of Finance (Military)  
Rawalpindi, the 31 December, 2007

Copy of the above forwarded to:-

MAG, Rawalpindi	(2)	DGADS Rawalpindi	(2)
CCMA GHQ Rawalpindi	(2)	DADS Rawalpindi	(2)
CMA(RC), Rawalpindi	(2)	DADS Karachi	(2)
CMA(ISO's) Rwp	(2)	DADS Lahore	(2)
CMA(LC), Lahore	(2)	CMA(MC), Multan	(2)
CMA(KC), Karachi	(2)	CMA(PC), Peshawar	(2)
CLA(DS) Lahore	(4)	CMA(QC), Quetta	(2)
CNA, Karachi	(2)	CAAF, Peshawar	(2)

Sd/xxxxxxx  
(Shahzad Amed)  
Assistant Financial Advisor  
Tel: 9271460