
**GUJARAT MUNICIPALITY (COLLECTION OF OCTROI BY
LEASE, PUBLIC AUCTION OR PRIVATE CONTRACT) RULES,
1995**

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**GUJARAT MUNICIPALITY (COLLECTION OF OCTROI BY
LEASE, PUBLIC AUCTION OR PRIVATE CONTRACT) RULES,
1995**

WHEREAS the Draft Notification of the GujaratMunicipality (Collection of octroi by lease, public auction or private contract) Rules, 1995, was published as required by section 277 read with Section 129-A of the Gujarat Municipalities Act, 1963 (Gujarat Act No. 34 of 1964) at pages 71-1 to 71-5 of the Gujarat Government Gazette, Extra Ordinary Part - 1-A, dated 10th March , 1995 under Government Notification. Urban Development and Urban Housing Department No.KV-41 of 1995-NPL-4595-853-M dated 10th March, 1995 inviting objections and suggestions from all persons likely to be affected thereby within fifteen days from the date of the said Notification in the official gazette. AND WHEREAS the Government of Gujarat has taken suggestions and objections into consideration by it in respect of the said draft. NOW THEREFORE in exercise of the powers conferred by sub-section (1) of section 277 read with sub-section 129-A of the Gujarat Municipalities Act 1963 (Gujarat. 34 of 1964), the Government of Gujarat hereby makes the following rules namely

1. Short title and extent. :-

(a) These rules may be called the Gujarat Municipality (collection of Octroi by lease, public auction or private contract) Rules, 1995.

(b) They shall apply to all the Municipalities/ Nagar Panchayats in the State of Gujarat.

2. Definitions :-

In these rules unless the context otherwise requires

(a) "the act " means a Municipalities Act, 1963 as amended from time to time.

(b) "municipality" means a Municipality/Nagar Panchayats constituted or deemed to be constituted under the Act.

(c) "octroi" means and includes the Octroi schedule appended to the Octroi rules or the municipality.

3. . :-

When the Municipality resolves to lease by public auction or private contract the collection of Octroi, the Chief Officer of the Municipality shall fix the upset price for such auction or lease to collect Octroi, if it is not included in the Municipal resolution and thereafter get the prior approval of the Director of Municipality.

4. . :-

On receipt of the approval of the up-set price from the Director of Municipality the Chief Officer shall given an advertisement in one or more daily newspapers widely read in the area, stating date, time and place of auction alongwith the statement that the copy of the terms and conditions of the auction is available in the Municipal officer on payment of the prescribed fees:

Provided that at least clear fifteen (15) days shall be allowed to elapse between the date of the publications of the advertisement and the date of auction.

5. . :-

Public auction shall be held by the Chief Officer subject to the terms and conditions prescribed in Schedule-1 appended hereto and in presence of one representative deputed by the Directorate of Municipality.

6. . :-

In the event of failure of the highest bidder, the Municipality shall

have a right to negotiate with such other bidder as may be convenient and consider to decide the Octroi amount such another person and the said agreement shall be subject to these rules and the Act.

7. . :-

The highest bidder has to execute the prescribed agreement before starting the collection of Octroi (Schedule II).

8. . :-

The lease shall remain in force for two (2) years from the date of execution. The amount of the highest bid shall have to be increased by 10% for the second year.

9. . :-

Atleast one month before the expire of the existing lease the Municipality shall complete the proceedings of the auction for the another terms of two years.

SCHEDULE I

SCHEDULE 1

(RULE 5)
<div>SCHEDULE 1</div> <div>(RULE 5)</div> <div>.....MUNICIPALITY/NAGAR PANCHAYATS TERMS AND CONDITIONS OF AUCTION OF LEASE FOR COLLECTION OF OCTROI.</div> <div>1. Bidder :- (i) Any individual, not a minor or of unsound mind, or any firm or any corporation, association or a trust may bid for the right to collect octroi. (ii) A change in the name of the intending bidder will not be allowed under any circumstances.</div> <div>2. Bidding at auction and of submission application :- (i) Intending bidder shall have to deposit as a Security Deposit, an amount 10% of the up-set price and give an application duly filled in the form prescribed (Schedule II). These deposit shall have to be made in the office of the Chief Officer of the Municipality on working day prior to the day auction. The deposit shall be made by a Demand Draft or a pay order drawn in favour of the President of the Municipality by any branch office of the State Bank of India or any other nationalized banks. (ii) No one will be allowed and to participate in auction those who have deposited Security Deposit and applied in prescribed from as mentioned in Rule 2(i) herein</div>

above (iii) The intending bidder shall have to bid, personally in the auction, on one shall be allowed to bid as an agent unless he has produced the power of attorney before the auction is conducted. If the bidder is company or a firm a certified copy of registration of a company or the partnership deed as the case may be shall have to be produced before the auction is conducted. And in such a case an authority letter of the company or a firm shall have to be produced before taking part in the auction.

(iv) No bidder shall be permitted to communicate or negotiate during the auction, if the auctions postponed for any misconduct of the participant, the Chief Officer shall have a

right to forfeit the security deposit of the said participant

(v) A Chief Officer shall have a right to postpone or cancel the auction. In such a case he will communicate a fresh date and time to the intending bidders either in person or by registered post.

(vi) The highest bidder at the fall of the hammer shall pay to the Municipality through the officer conducting the auction 10% of the bid amount as earnest money either in cash and or by a demand draft in favour of the President of the Municipality within three days. If the earnest money is not paid within three days the auction already held will be liable to be canceled and the Security Deposit of the highest bidder will be forfeited.

(vii) The acceptance of the highest bid shall be subject to the approval of the director of Municipality. The decision taken by Director of Municipality shall be final and conclusive.

(viii) The amount of security deposit shall immediately be refunded to the unsuccessful bidders. In case of the highest bidder the said amount shall be adjusted towards the amount of earnest money required to be paid by the successful bidder.

3. Execution of Agreement:

As soon as the bid is accepted by the Director of Municipalities the successful bidder shall be informed of such acceptance in writing. Thereafter the successful bidder shall enter into an agreement with the Municipality in the prescribed format Schedule-III. The said agreement shall be executed by successful bidder at his cost. If he fails to execute the said agreement within seven days of the receipt of information in regard to acceptance of his bid, the Chief Officer shall consider it to be a failure on the part of the bidder and report the matter to the Municipality through Executive Committee for taking further actions as mentioned in Rule-6.

SCHEDULE II

APPLICATION FORM

SCHEDULE II

APPLICATION FORM

.....Municipality/Nagar Panchayats. Application by the intending bidder for the lease of collecting Octroi. Particulars of the intending lease holder.

1. Name (in block letters beginning with surname if any).

2. Name of the Father/Husband

3. Date of birth :

4. Age as on date of auction :

5. Full Address :

(a) Residential :

(b) Occupational :

6. Particular of the auction :

(i) Date of Auction

(ii) The amount of the upset price fixed for the auction,

(iii) The amount paid as earnest money Rsk..

Details of payment:

(i) Demand Draft/Pay Order No. & Date

(ii) Name of Banks-Its Branch.

In the undersigned being the intending bidder in the above said auction hereby apply on my behalf for the permission to bid in the auction for the lease or collecting of Octroi under the terms and conditions of auctions of such rights which I have read and understood and hereby accept in full without any reservation.

Yours faithfully,

AGREEMENT OF LEASE

Whereas..... Municipality has resolved to lease by public auction or private contract the collection of Octroi under its resolution No.

.....dated.....and whereas the auction for the said lease was held on.....and whereas the highest bidder gave an application for

acceptance of his bid in the prescribed form and whereas the Executive Committee of the Municipality under his Resolution No.....dated

.....has approved/accepted the bid and whereas the Chief Officer of the Municipality has communicated the acceptance under his letter No..... dated and whereas required under Rule-7 of the rules for Gujarat Municipality Collection of Octroi by lease Rules, 1995, an agreement is required to be

executed.

This DENTURE made on the..... day of the month
.....the year One Thousand mine hundred and ... Between the
..... Municipality constituted under the Gujarat Municipality Act 1963
acting through its Chief Officer which expression shall unless inconsistent with the
contest or meaning includes its successors in office and assignee of the ONE PART.
And Shri (beginning with surname) aged..... residing
at.....(hereinafter called the party of the part).

2. Witnessed :that in consideration of the annual Amount of Rskthe
party of the one part has authorised the party of the second part to collect Octroi
for the area within the limits of the Municipality on following terms and
conditions:

The party of the one part hereby agrees-

1. To authorise the party of the other part to Collect the Octroi for the area within
the Municipal limit as provided under the Gujarat Municipalities Act, 1963.

2. That the party of the other part shall exercise his right for a period of two
years from the date of execution of this agreement.

3. That the party of the second part shall be permitted to use the existing Octroi
naka for the purpose of collecting Octroi subject to the payment of electric
charges and the telephone bills if any such charges shall be paid in advance for
every three months.

4. The party of the other part hereby agrees-

(i) to pay to the Municipality an amount of equivalent of 1 /24th of the total
annual bid amount in advance on every first and 16th day of every month. If
lease comes into force on such a day other than 1st and 16th of month the
amount shall be calculated for the days from such date to the first date or the
16th date as the case may be, On completion of the first year of the lease, the
amount of the payment shall have to be increased by 10% for the second year.

(ii) to pay the interest at the rate of 24% of the delay of payment,

(iii) if he fails to make payments with the interest for more two installments as
prescribed hereinabove, this agreement will have been deemed to be terminated
and he shall be liable to pay all damages losses incurred by the Municipality and
that shall be recoverable as arrears of Land Revenue,

(iv) that no interest shall be payable by the municipality on the amount of
earnest money retained by it and that it shall be adjusted for repayment in the
last two installment of the term of the contract,

(v) that he has no power to increase the rate of Octroi or rate of any item of the
schedule thereof or that to make proposal to modify of any item,

(vi) not to recover any Octroi if it is exempted under Octroi rules of the Municipality or exempted by Government under the Section 1 of Section 99 of the Act,

(vii) that if the Government discontinue the system of octroi then the agreement become null and void from the date on which Government gives effect to discontinue the system of Octroi,

(viii) that if any harassment to any person in connection with recovery of octroi found, Municipality may terminate this agreement and recover the loss,

(xi) if any disputes arises regarding interpretation of any provision of act and rules or part thereof the decision of the collector shall be final and binding,

(x) that in case of any breach of these conditions the earnest money shall be forfeited after termination of the contract and the loss shall be recoverable from the party by the Municipality as arrears of Land Revenue.

PARTY OF THE FIRST PART

PARTY OF THE OTHER PART