

ESTATE-II DEPARTMENT
NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA : NEW DELHI

No. 198/50(STC)

Dated: 6/5/14

CIRCULAR

Sub. Internal instructions on provisional adoption of Land Rates, review of Policy/guidelines for Freehold Conversion and for change in use from Residential to Commercial in respect of Markets transferred from L&DO.

1. In respect of the ten markets, transferred by L&DO to NDMC, vide the Notification dated 24th March, 2006, the NDMC is to follow the procedure and guidelines which were being followed by the L&DO. After this Notification lease management of the markets is with the New Delhi Municipal Council and in addition to the mutation, substitution, transfer etc., conversion from leasehold to freehold, charging of misuse charges for misuse and damages for unauthorized construction are to be regulated, as aforesaid, as per the guidelines and the procedure decided by L&DO.

2. The present instructions covers the cases of (i) conversion from leasehold to freehold in respect of the commercial units and residential units and (ii) charging of use conversion charges in respect of upper residential floors, in the market received from L&DO for management by NDMC.

2(i) Conversion from leasehold to freehold of commercial shops :-

Procedure to be followed for such conversion is as per L&DO guidelines, adopted by NDMC. The land rate to be adopted for conversion from leasehold to freehold are as per Annexure-"A".

2(ii) While processing the cases for conversion from leasehold to freehold, if on inspection, misuse is found, misuse charges are to be levied till the date of conversion and the Chief Architect is to be informed about the misuse of the premises for action at his end. Similarly, if any unauthorized construction is found, damage charges, till the date of conversion are to be charged and EBR Department informed of the unauthorized construction. The conversion from leasehold to freehold shall not be withheld due to misuse or unauthorized construction, as per the guidelines of the L&DO.

2(iii) All other charges as per L&DO guidelines are to be calculated and collected.

3. Conversion of leasehold rights to freehold in respect of residential units:-

The above guidelines for conversion from leasehold to freehold in respect of commercial spaces shall also be followed for residential flats as well. The land rates for this purpose shall be as per Annexure-"B".

The amount so collected on conversion from leasehold to freehold shall be deposited in the account being maintained in NDMC on behalf of L&DO.

4. Use conversion from residential to commercial :-

The DDA has issued guidelines for collection of use conversion charges from residential to commercial. Where the lessee is interested to maintain the land on leasehold basis and pay use conversion charges, the same shall be allowed as per Notification of 10th July, 2012 by charging a rate of Rs. 8,094/- per sq. mtrs. of the built up area. The land shall continue to be on lease but the user of the residential portions

shall be allowed on payment of use conversion charges at Rs 89,094/- per sq. mtrs. of the built up area as aforesaid. This is to make it clear that the conversion from leasehold land to freehold land has to be of the area of the land which is being converted from leasehold to freehold, while in the case of residential flats, it is the use conversion of built up area of the flat and not the area of the land. Relevant Notification of the DDA is re-produced hereunder :-

"Sub:- Fixation of use conversion charges on upper residential floors of various markets [Sarojini Nagar Market, Khan Market and Green Park Extension etc.]

"D.O. 1542(F.)—In exercise of the powers conferred by Section-57 of the Delhi Development Authority with the prior approval of the Central Government hereby notifies the rates of use conversion charges for use of upper residential floors of various markets [Sarojini Nagar Market, Khan Market Green Park Extension etc.] to commercial use subject to charging additional rates @100% of difference between the commercial rate and the residential rate as one time conversion charges and further subject to the condition that the building shall remain in the shape and structure as was approved in the original plan sanctioned by the Competent Authority.

Accordingly, the rate structure for Use Conversion Charges on upper floors of the following Market will be as under :-

*Sarojini Nagar Market, Khan Market
And Green Park Extension etc.*

*[Rate in Rs. Per sq.m
built up area]
Rs. 89,094/-.*

These rates will remain in force till these are further modified and notified with the approval of the Central Government".

These charges shall be deposited in the accounts of the Council and not L&DO.

5. If the lessee is interested to have the flat converted from leasehold to freehold, he will have to get it converted from leasehold to freehold by following the procedure as at (i) above. Lessee has both the options i.e. to continue with their use of the land on leasehold basis and use the flat for commercial purpose by paying use conversion charges or have the leasehold rights converted into freehold and also pay use conversion charges for the built up area of the flat. This would mean freehold land covered by the flat and also use it for commercial purposes.

6. If there is misuse or unauthorized construction of the flat and the lessee is interested to have it converted from leasehold to freehold, the misuse charges and the unauthorized construction charges shall be levied from the date of inspection till the date of conversion in the manner discussed herein before.

7. Priority for cases where applications received and payments made :-

There are a number of cases in which the lessee have paid leasehold to freehold charges but the conversion has not be allowed as they failed give undertaking that the misuse shall be removed. These cases have to be taken up on priority basis and if the land rates of the year in which the lessee applied for the conversion from leasehold to freehold and paid the charges is higher than the rate at which the charges have to be paid, the difference shall be collected. Similarly, all other charges which have been calculated at the old land rates shall be revised at new land rates and demand raised. The lessee will have to pay the misuse charges or damages, all the date of conversion from leasehold to freehold.

Other cases :-

After attending to the cases where the payment has already been made, cases shall be taken up for conversion from leasehold to freehold by collecting the conversion charges as per the land rates specified in Annexure-"A" and Annexure-"B". The cases should be taken up on "First Come First Serve Basis" An application for conversion is deemed to have been made when the application alongwith payment of conversion charges are made and not that an application has been made without payment of conversion charges. This applies to use conversion from residential to commercial also.

9. Inspection Team :-

The premises shall be inspected by an inspection team within one month of the application. The team shall consist of the following :-

- (i) Deputy Chief Architect of the Architect Department.
- (ii) A Jr. Engineer of the EBR Department.
- (iii) Section Officer of the Estate-II Department ; and
- (iv) A representative of the Vigilance Department.

10. The inspection team shall submit its report to the Jt./Dy. Director(Estate-II) who will get the same processed for issue of letters to CA & EBR and for getting the charges to be paid by applicants worked out after payment has been received, the file shall be put up to the Director recommending conversion from leasehold to freehold or permitting user from residential to commercial. The Director shall be competent to take a decision and allow conversion and put up the file for perusal of the Secretary and Chairperson.

11. The above conversion shall be subject to any decision of the Court and payment of additional charges on the fixation of land rates by the L&DC. The cases which have already been decided shall not ordinarily be reviewed.

12. These departmental instructions are issued with the approval of Chairman and are effective from 1st May 2014.

M. J. J.

Director(Estates)

- ✓ 1. Chief Architect *6/5*
- ✓ 2. Director(Vigilance) *6/5/14*
- ✓ 3. Director(EBR) *6/5/14*
- ✓ 4. Jt. Director(E-II) *6/5/14*
- ✓ 5. Jt. Director(E-I) *6/5/14*
- ✓ 6. Dy. Director(Estate/Tax)
- ✓ 7. A.O.(Estates) *6/5/14*
- ✓ 9. ✓ S.O.(Estate-II) *6/5/14*
- ✓ 10. ✓ AAO(E-II)

Copy also forwarded for kind information to:

- ✓ 1. PS to Chairperson *6/5/14*
- ✓ 2. PS to Secretary *6/5/14*
- ✓ 3. PS to Financial Advisor *6/5/14*
- ✓ 3. PS to Advisor(R&L) *6/5/14*
- ✓ 4. PA to Director(Estates) *6/5/14*

RESIDENTIAL LAND RATE OF DDA

ANNEXURE-B

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Market															
Zone-I(Central Zone)															
Cannught Place	18480	18480	18480	18480	18480	18480	27720	27720	27720	27720	27720	27720	41580	46035	50639
Bhagat Singh Market	18480	18480	18480	18480	18480	18480	27720	27720	27720	27720	27720	27720	41580	46035	50639
Babar Road	18480	18480	18480	18480	18480	18480	27720	27720	27720	27720	27720	27720	41580	46035	50639
Zone-II(South Zone)															
Khan Market	13860	13860	13860	13860	13860	13860	20790	20790	20790	20790	20790	20790	31185	34304	37734
Diplomatic Enclave	13860	13860	13860	13860	13860	13860	20790	20790	20790	20790	20790	20790	31185	34304	37734
For Bagh	13860	13860	13860	13860	13860	13860	20790	20790	20790	20790	20790	20790	31185	34304	37734
Lodhi Road	13860	13860	13860	13860	13860	13860	20790	20790	20790	20790	20790	20790	31185	34304	37734
Alliganj	13860	13860	13860	13860	13860	13860	20790	20790	20790	20790	20790	20790	31185	34304	37734

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COMMERCIAL LAND RATE OF DDA														ANNEXURE-A	
YEAR	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Market															
Zone-II(Central Zone)															
Connaught Place	57960	57960	57960	57960	57960	57960	57960	57960	57960	57960	63249	69574	76531	84184	92602
Bhagat Singh Market	57960	57960	57960	57960	57960	57960	57960	57960	57960	57960	63249	69574	76531	84184	92602
Babar Road	57960	57960	57960	57960	57960	57960	57960	57960	57960	57960	63249	69574	76531	84184	92602
Zone-II(South Zone)															
Khan Market	28980	28980	28980	28980	36000	36000	43200	47520	52272	57499	63249	69574	76531	84184	92602
Diplomatic Enclave	28980	28980	28980	28980	36000	36000	43200	47520	52272	57499	63249	69574	76531	84184	92602
Jor Bagh	28980	28980	28980	28980	36000	36000	43200	47520	52272	57499	63249	69574	76531	84184	92602
Lodhi Road	28980	28980	28980	28980	36000	36000	43200	47520	52272	57499	63249	69574	76531	84184	92602
Aligani	28980	28980	28980	28980	36000	36000	43200	47520	52272	57499	63249	69574	76531	84184	92602

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