

The Chandigarh Conversion of Residential Lease-Hold Land Tenure into free-hold Land Tenure Rules, 1996

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No. 222-UTFI (3)-95/9345. - In exercise of the powers conferred by Sections 3 and 22 of the Capital of Punjab (Development and Regulation) Act, 1952, as adopted by the Punjab Re-organisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968 and all other powers enabling him in this behalf, the Administrator, Union Territory, Chandigarh is pleased to make the following Rules, namely :-

1. **Short title.** - These rules may be called "The Chandigarh Conversion of Residential Lease-Hold Land Tenure into free-hold Land Tenure Rules, 1996."

2. These rules shall come into force from the date of publication in the Official Gazette.

3. Unless the context otherwise requires, the words and expression used in these rules shall have the meaning as assigned to them in the Capital of Punjab (Development and Regulation) Act, 1952 and the rules made thereunder from time to time.

4. These rules shall apply only to the Sites, mentioned in the Master Plan/ Zoning Plan as "residential".

(a) The proposed conversion can be given effect in respect of the following sites :-

(i) All the residential built up sites where the lease has been granted for residential purposes.

(ii) EWS, LIG, MIG, HIG and Self Financing Scheme Flats, Industrial Labour Houses, Cheap Houses and Tenements allotted on lease hold basis.

¹[(iii) All the built-up sites where the lease has been granted to the Co-operative House Building Societies, Army Welfare Housing Organizations, Central/State Governments, Semi-Government bodies, Chandigarh Housing Board for residential purposes in respect of all sizes of plots.]

²[The sites demised by the Chandigarh Administration at Sub-Urban Sector 2, near village Dhanas.]

(b) In case of Flats, Tenements and built-up sites measuring not more than 50 square metres, the conversion into Freehold shall be free.

¹[(c) In case of flats, tenements and built up sites of all sizes, the Conversion into free-hold shall be optional. However, at the time of sale of any such flats/tenements and built-up site, the Conversion into free-hold shall also be optional.]

(d) As a result of conversion, the lessees who have been allotted sites under the Chandigarh Lease Hold of Sites and Building Rules, 1973,

1. Substituted vide Chandigarh Administration Gaz. (Extra) dated 18-4-2001 at page 713

2. Added vide Chandigarh Administration Gaz. (Extra) dated 23-1-2006 at page 52

opting for conversion from Lease-hold System to Free hold would be absolved of paying any ground rent and also 50% of the unearned increase on any transfer as stipulated in the rules *ibid*.

5. Land rates will be the rates as notified by the Chandigarh Administration from time to time.

6. Conversion charges to be paid shall be as provided in Annexure "A" annexed to these rules, from time to time.

¹[(i) In respect of original lessees/applicants 25% remission in the conversion fee shall be allowed. This concession will also be available to the lessees/applicants in case where properties have changed hands after obtaining permission to sell, on payment of unearned increase, as applicable.

(ii) Remission of 33-1/3% in respect of all categories of ready-built flats and tenements shall be allowed.]

7. (i) The applicant shall submit application along with full amount of Conversion charges or pay the same in 5 equal annual instalments. The balance payment shall be payable along with interest at the rate of 12% per annum. The next instalment shall become payable after one year from the date of making application for Conversion into freehold basis. During the intervening period i.e. from making applications for conversion after payment of 1st instalment towards conversion fee, the applicant shall have to pay nominal ground rent of Re. 1 till the whole amount of the Conversion charges is paid with interest and Conveyance Deed executed in his favour.

(ii) The payment shall be made by Demand Draft/Pay Order drawn on any Scheduled Bank situated at Chandigarh in favour of the Estate Officer, Union Territory, Chandigarh.

8. The conversion shall also be allowed in the cases where the lessees/sub-lessees/allottees have parted with the possession of the property, provided that -

²[(a) The application for Conversion is made by a person holding registered and valid power of attorney and there is also an agreement to sell from the lessee to sub-lessee to alienate (sell/transfer) the property and proper linkage with the original allottee/lessee is established.]

(b) Proof in support of possession of the site is given by the person making application for conversion.

³[(c) Where the GPA holder fulfils the criteria of eligibility under these rules, Conversion from Lease-hold to Free-hold in favour of the GPA and consequent conveyance deed in favour of the GPA holder as per provisions of rule 9 of these rules would be allowed:

Provided that the GPA holder would be required to furnish an Indemnity Bond with one surety absolving the Administration, its agencies and extending such a facility to the GPA holder.]

However, in such cases a surcharge of 33-1/3% on the Conversion fee would be payable over and above the Conversion Charges applicable in case of regular lessee. (No unearned increase shall be recoverable).

9. In all cases of Conversion, the Conveyance deeds shall be got registered on payment of requisite Stamp Duty and Registration Charges. The Consideration amount for this purpose shall be the "Conversion Fee" and the "Surcharge" where-

1. Added vide Notification No. 2243-UTFI(3)/97/20447 published in Chandigarh Administration Gaz. (Extra) dated 28-5-1997

2. Substituted vide Chandigarh Administration Gaz. (Extra) dated 18-4-2001 at page 713

3. Added vide Chandigarh Administration Gaz. (Extra) dated 18-4-2001 at page 713

ever applicable. However, in cases where lease deed has not been executed, the Price/Premium of the site as reflected in the letter of allotment or last agreement for sale or the predetermined rate as prescribed by the Competent Authority on the date of allotment/transfer shall also be added for the purpose of calculation of Stamp Duty.

¹[Provided that in cases where the conveyance deed is to be registered in the name of GPA as per rule 8, in that case the stamp duty is to be charged as per the provisions under the Indian Stamp Act, 1899:

²[Provided further that in case where the Lease Deed of the property has not been executed, the GPA Holder would also be responsible for payment of such appropriate stamp duty that would have been payable if the Lease Deed were to be executed.]

10. (i) The applicant/lessee shall make an application to the Estate Officer, Union Territory, Chandigarh, in the prescribed proforma in Annexure "B" within such period as may be notified by the Estate Officer, Union Territory, Chandigarh.

(ii) After the conversion from the Lease-Hold basis to Free hold basis, the Chandigarh (Sale of Sites and Buildings) Rules, 1960, as amended from time to time shall ipso facto be applicable to all such sites :

Provided that all other conditions of allotment as imposed in the allotment letter shall remain operative as before.

(iii) All the sites converted into freehold basis shall be governed by the provisions contained in the Capital of Punjab (Development and Regulation) Act, 1952, as amended from time to time.

(iv) The applicant is required to file an affidavit in Form Annexure "C" to the effect that there is no unauthorised construction/misuse in the site. However, filing of this affidavit does not bar the Estate Officer, Union Territory, Chandigarh to take action under the Capital of Punjab (Development and Regulation) Act, 1952, and the rules framed thereunder, for un-authorised construction/misuse, under the building bye-laws/Zoning regulations.

(v) All arrears of ground rent along with interest shall be paid by the applicant, before the Conversion is permitted.

(vi) The sites which have been mortgaged will be allowed conversion only when the lessees/allottees submit "No Objection Certificate" from the mortgagee.

(vii) Conversion shall not be allowed in cases where Title of the Property is disputed and until and unless the dispute is duly settled.

(viii) In cases where lease of the site has been cancelled, conversion shall not be allowed until the Cancellation Order is set aside and the site is restored to the lessee.

(ix) In case of any dispute between the Original lessee/sub- lessee/allottee and Power of Attorney Holder, application for grant of Free-hold rights shall be entertained, only after the dispute is duly settled.

(x) In cases where applications for mutation/substitution is pending with the lessor on account of some dispute, Conversion shall be allowed only after the necessary mutation/substitution has been carried out, if so permissible. Otherwise, simultaneous actions for substitution/mutation and then conversion shall be taken.

1. Substituted vide Chandigarh Administration Gaz. (Extra) dated 26-11-2001 at page 2105

2. Added vide Chandigarh Administration Gaz. (Extra) dated 18-4-2001 at page 713

(xi) Conversion to Free-hold shall be allowed in the cases where residential buildings on the sites have been constructed and Completion Certificates have been issued by the Estate Officer, Union Territory, Chandigarh.

(xii) In cases of plots allotted to the Co-operative House Building Societies, Conversion to Free-hold for residential plots/flats constructed thereon shall be permitted only after the construction is completed, Completion Certificate obtained and Possession of the built up site/flat is given to the allottees/members.

(xiii) All arrears of ground rent along with interest shall have to be paid by the applicant before Conversion is permitted.

(xiv) In case of Cooperative House Building Societies whose members have been allotted individual plots, conversion would be allowed for such sub-lessees who have paid all the outstanding dues in respect of their individual units.]

11. The Administrator, Union Territory, Chandigarh may relax all or any of these rules, if he is satisfied that such relaxation is in public interest and shall promote housing in the Union Territory of Chandigarh, but will do so with the prior approval of the Central Government.

ANNEXURE "A"
Part - I
STATEMENT SHOWING ONE TIME CONVERSION, CHARGES/
FEE FOR VARIOUS SITES ALLOTTED BY THE ESTATE
OFFICER, UNION TERRITORY, CHANDIGARH.

Site area in Sq. Metres	Conversion charges/fee to be calculated as under	Formula for calculating charges/conversion charges/fee
1	2	3
Upto 50	Nil	Nil
Above 50 and upto 150	7.5% of notified land rate per Sq. Metres for area above 50 Sq. Metres.	$0.075 \times R \times (S-50)$
Above 150 and upto 250	Conversion charges applicable to 150 Sq. Metres plus 10% of the notified land rate per Sq. Metres for the area above 150 Sq. Metres.	$(7.5 \times R)$ plus $(0.1 \times R \times (S-150))$
Above 250 and upto 350	Conversion charges applicable for 250 Sq. Metres plus 15% of the notified land rate per Sq. Metres for the area above 250 Sq. Metres.	$(17.5 \times R)$ plus $(0.15 \times R \times (S-250))$
Above 350 and upto 500	Conversion charges applicable for 350 sq. Metres plus 20% of the notified land rate per sq. Metres for the area above 350 Sq. Metres.	$(32.5 \times R)$ plus $(0.2 \times R \times (S-350))$

1. Added vide Notification No. 2243-UTFI(3)/97/20447 published in Chandigarh Administration
Gaz. (Extra) dated 28-5-1997

[Above 500 and upto 1000	Conversion charges applicable to 500 sq. mtrs. plus 22.5% of the notified land rate per sq. mtr. for the area above 500 sq. metres.	62.5 x R plus .225 x R x (S-500)
Above 1000	Conversion charges applicable to 1000 sq. mtrs. plus 25% of the notified land rate per sq. metre for the area above 1000 sq. metres.]	175 x R plus .25 x R x (S-1000)

S = Site area in Square Metres.

R = Land rate in rupees per Square Metres as notified by the Chandigarh Administration from time to time.

The land rate has been fixed at Rs. 1,710/- per Square Metre and the same shall be applicable for a period of one year from the date as notified by the Estate Officer, Union Territory, Chandigarh. The land rate applicable for calculating the Conversion Charges shall be notified from time to time by the Administrator, Union Territory, Chandigarh.

PART II
FOR FLATS/TENEMENTS, INDUSTRIAL LABOUR HOUSES,
CHEAP HOUSES ALLOTTED BY THE ESTATE OFFICER/
CHANDIGARH HOUSING BOARD ON LEASE HOLD BASIS

Category of flat/tenements/ Industrial Houses	One time Conversion charges.
EWS hoses/Cheap Houses/Industrial Houses	Nil
LIG	Rs. 4,300/-
MIG	Rs. 6,100/-
HIG	Rs. 9,000/-
HIG (UPPER)	Rs. 10,700/-

NOTE :

- (i) For flats/Tenements/Industrial houses having bigger plinth area, the concerned Allotting Authority may increase one time Conversion Charges proportionately subject to the condition that one time conversion charges for LIG/MIG and HIG Flats, Dwelling Units referred to above, shall be determined on the basis of the formula for built up sites referred to in Part-I of this Annexure. The lessee shall be liable to pay the conversion charges whichever are higher. The site area for this purpose will deem to be 1.2 x plinth area of the flat.
- (ii) The rates in part II above will be applicable for a period of one year from the date as notified by the Estate Officer, Union Territory, Chandigarh. Revised Conversion Charges will be notified from time to time by the Administrator, Union Territory, Chandigarh.
- (iii) Conversion charges shall be determined as per area of the site of individual member of a Cooperative House Building Society and as per formula referred in Part-I of the Annexure "A".

ANNEXURE - B
ESTATE OFFICE, CHANDIGARH ADMINISTRATION
APPLICATION FORM FOR CONVERSION OF LEASEHOLD
SITES INTO FREE-HOLD

1. Site/Plot No. _____ Sector _____ Area _____
of Site _____ RPL No. _____
2. (i) Name of the lessee/applicant : _____
(ii) Father's/Husband's Name : _____
(iii) Address : _____
3. Status of the applicant : (Lessee/G.P.A.) _____
4. Name and address of the Purchaser, _____
in whose name conversion is sought _____
5. (i) If the applicant is General Power _____
of Attorney holder (if so, attested _____
copy be attached) _____
(ii) Agreement to sell or other document _____
to evidence the transaction in favour _____
of person at 5 (i) be enclosed _____
6. Whether the lease is for site/tenement _____
7. Whether the lease deed has been _____
executed and registered, if so, give _____
registration No. _____, Book No. _____
Volume No. _____, Page No. _____ date _____
8. Whether the lease has been cancelled _____
and site has been restored, if so, _____
give details thereof _____
9. Whether there is any dispute pending _____
in the court of Law regarding Title or _____
otherwise, if so, give details _____
10. Whether any application for sub- _____
stitution/mutation is pending, _____
give details _____
11. (i) Whether the site stands mortgaged _____
(ii) If yes, whether NOC from the _____
mortgagee is enclosed _____
12. If the building is constructed, _____
attach proof of the completion _____
13. Whether affidavit regarding _____
un-authorised construction/misuse _____
in the building is enclosed. _____
14. Self Assessment of Conversion Charges payable - _____
(i) Amount of Conversion Charges _____
as per formula Rs. _____
(ii) Surcharge, if the applicant is G.P.A. Rs. _____
(iii) Arrears of ground rent, if any, _____
along with interest Rs. _____
(iv) Total (i + ii + iii) Rs. _____

15. Whether the applicant wants to pay
the amount shown above at Column 14
in lump-sum or in 5 equated instalments. _____
16. Amount paid along with the application Rs. _____
Bank Draft No. _____ dated _____
Drawn on _____

Dated :

Signature of the applicant and address.

DECLARATION :

I undertake that the Title which may be passed on to me after paying the Conversion Charges is liable to be Cancelled at any stage, if it is found that the information in this application is either wholly or partly false and material fact has been concealed.

Dated :

Signature of the Applicant
Address for Correspondence

ANNEXURE "C"

I, _____ aged _____
_____ years S/o d/o w/o _____ resident of _____
_____ solemnly declare as under : -

1. That I am lessee/General Power of Attorney of lessee of site No. _____
— Sector _____, Chandigarh (R.P.L. No. _____).
2. That there is no unauthorised construction, in the site which is not compoundable/sanctioned by the Chandigarh Administration as per plan approved by the Chandigarh Administration.

OR

That there is unauthorised construction which is not covered by the Building Plans sanctioned by the Chandigarh Administration and the extent of unauthorised construction is approximately _____ Sq. Mtrs.

3. That the site is not being misused.
4. That the contents of the above affidavit are true and no portion of it is false and the said affidavit conceals nothing which is relevant to the above matter.

DEPONENT

Verification :

I, the above named deponent, do hereby solemnly affirm and declare tht the above statement of mine is true to the best of my knowledge and no part of it is false and nothing has been concealed therefrom.

DEPONENT
