

CHAPTER – 5

TYPES OF LEASES

There are three types of leases in respect of old Nazul lands namely (i) residential, (ii) commercial, and (iii) institutional. In respect of rehabilitation colonies, leases granted under the Displaced Persons (Compensation & Rehabilitation) Act are for residential, commercial and industrial and are in Appendix-XI, Appendix-XII, Appendix-XIII and Appendix-XXXI.

Nazul leases are perpetual whereas Rehabilitation leases are 99 years. If the case of Nazul leases, Ground Rent is revisable at the option of the lessor at the end of each span of 30 years in accordance with the procedure laid down in the Lease Deed. Ground Rent in Appendix-XI leases is nominal i.e. Rs. 1/- per 100 sq. yds. or as fraction thereof and is revisable @ 2 ½ of the value of the land at the time of 2nd sale/assignment shall be completed and thereafter at the end of each successive period of not less than thirty years. In case of leases in Appendix –XII & XIII, for the first 20 years, the ground rent is the sum equivalent to the interest on the cost of land at the Govt. borrowing rate of interest prevailing on the date of lease. For the remaining 76 years of lease, the ground rent is the sum equivalent to the interest on the market value of land calculated at Govt. borrowing rate of interest on the 1st April of 21st year of the lease. Appendix-XXXI-A, XXXI-B and XXXI-C leases are also nominal leases granted for 'A' type and 'C' type tenements or three storeyed markets in various Rehabilitation colonies in Delhi. In these nominal leases also, ground rent is revisable, as it the case of Appendix-XI leases, at the time of 2nd sale/assignment on the same lines as in the case of Appendix-XI leases.

Ground Rent is payable in two half yearly instalments in advance on the 15th January and 15th July each year. For appendix-XII and XIII leases, ground rent is payable annually on the 1st April of year. For delayed payment of ground rent, interest is charges at the rate of interest fixed by the Govt. from time to time.

Some of the common features of the leases are as under:-

(a) The lessee shall not, without the prior permission of the lessor, make any additional construction, other than the construction/building existing on the date of lease.

(b) The lessee shall also not use the premises for a purpose other than that specified in the lease deed without the prior permission of the lessor.

(c) The lessee shall not sub-divide the premises without the prior permission of the lessor.

(d) In case a lessee commits any breach of the terms and conditions of the lease, the premises can be re-entered for the breaches unless the lessee removes remedies the breaches on a notice served on him by the lessor. These breaches can, however, be compromised on temporary basis on payment of misuse/damages charges as may be claimed by the lessor.