

Government of India  
Ministry of Urban Development  
Land and Development Office  
Nirman Bhawan, New Delhi.

No.24(276)/99-CDN/16

Dated 17/1/08

**OFFICE ORDER NO. 1/2008**

Sub:- Sub-letting by socio-cultural institutions allotted land by Land and Development Office – instructions regarding.

The undersigned is directed to refer to the instructions issued from time-to-time on the subject above. It is to further state that the matter regarding sub-letting by socio-cultural institutions has been reconsidered by the Government in the light of the Report of the Committee set up under the Chairmanship of the Additional Secretary (UD) & CVO, Ministry of Urban Development and, following revised guidelines are issued :

- 2. Sub-Letting by socio-cultural institutions in future**
- (i) Every allottee institution shall be under an obligation to adhere to the purpose of allotment and to continue with its mainstream activities.
  - (ii) The sub-letting of built-up space, within the limits laid down below, is permitted only in respect of socio-cultural institutions which are engaged in niche activities of their own. Therefore, this sub-letting policy does not cover land allotments to schools including higher schools, hospitals, sports clubs, community halls, nursing homes, press, political parties, and trade unions. A separate policy shall, however, be required to be framed in respect of these institutions by the Government and until then the present policy may apply.
  - (iii) The extent of sub-letting would be calculated with reference to the existing built-up area within the FAR permissible under the Master Plan for Delhi (MPD) 2021.
  - (iv) No sub-letting of built-up space, within the limits laid down below, shall be undertaken by any allottee institution without obtaining prior and express permission of the allotting authority.
  - (v) The maximum area that can be permitted for sub-letting – including the area which may be used for the purpose of residence of the functionaries of the allottee institution – shall not exceed 25% of the total built-up area subject to permissible FAR and no separate residential area would be permitted. The watch and ward residence and other activities would be as permitted as per the provisions of the MPD 2021.
  - (vi) Sub-letting of built-up space –within the permissible limits laid down in sub-para (iv) above –would be permitted only in respect of following activities:
    - a) State and parastatal organizations with low public interface.
    - b) UN-based or multilateral/ bilateral agency / organization
    - c) Bank
    - d) Financial Institution
    - e) Organization having activities similar to the allottee institution.
  - (vii) In all such cases of permitted sub-letting, 15% of the rent realized by the Lessee / allottee institution shall be payable to the Lessor/land-owing agency (L&DO) based on the rent deed.

- (viii) Institutions sub-letting permissible area to any government department may not be obliged to part with share of the rent realized with the Lessor/land-owning agency (L&DO).
- (ix) The Lessee institution shall be under an obligation not only to keep the Lessor/land-owning agency (L&DO) informed about the changes in rental details but also to obtain express and prior permission for sub-letting the permissible space.
- (x) Any change in the activity by the Lessee/tenant to whom the space was sub-let shall be allowed only with the prior permission of Lessor/land-owning agency (L&DO).
- (xi) The Lessee/allottee institution shall be responsible for the maintenance of the entire property including the sub-let areas.
- (xii) The Lessee/allottee institution shall be responsible for the payment of all rents, rates, taxes and other charges/penalties imposed on the land/building allotted by Lessor/land-owning agency (L&DO) by the Lessor/land-owning agency (L&DO) or any local authority.
- (xiii) The Lessee/allottee institution should surrender excess built-up space/land to the Lessor/land -owning agency (L&DO) which shall have the first right of refusal on the same terms as are applicable to the others.
- (xiv) The Lessee/allottee institution shall have no right to transfer the title of the land to anyone.
- (xv) Before the allottee institution lets out space, within the limits laid down in Para 2 (v) above, it shall ensure the following, along with the conditions contained in the clauses above:
  - a) Registration of the lease deed
  - b) Registration of the firms desirous of taking space on rent and their obtaining requisite permission for their activities from the concerned authorities e.g. VAT, Service Tax, permission from RBI etc.

**3. Allotments made in past where space has been sub-let without prior permission**

- (i) Only 25% of the built-up space in respect of a socio-cultural institution can be sub-let subject to the permissible FAR and no separate residential use would be permitted. The watch and ward residence would be as permitted as per the provisions of the MPD 2021.
- (ii) In all such cases of permitted sub-letting, 15% of the rent realized by the Lessee/allottee institution shall be payable to the Lessor/land-owning agency (L&DO) based on the rent deed from the date of the agreement. Wherever the area so sub-let exceeds the permissible limit of 25%, the Lessee/allottee institution shall pay 20% of the rent in respect of whole area sublet until it is brought to permissible limit of 25%.
- (iii) In case where the area has been sub-let to other non-permitted organizations, the Lessee/allotted institution shall share the rent with the Lessor/land-owning agency (L&DO) as per the following table:

<b>Area sub-let</b> (As percentage of built-up space)	<b>Share of rent to the Lessor</b> (As percentage of rent)
Up to 25	25
More than 25 & up to 50	40
More than 50 & up to 75	50
More than 75	Misuse charges for the excess area

- (iv) In cases where the area has been sub-let to both the permitted and non-permitted organizations, the condition as in para 3 (iii) above for non-permitted organizations shall apply.
- (v) A period of eight months from the date of issue of these guidelines would be available to the allottee institution to :
- Remove the permissible tenant/organization from the area in excess of 25% of the built-up space subject to the permissible FAR.
  - Remove the non-permissible tenant/organization from the area completely.
  - Apply to the Lessor/land-owning agency (L&DO) for prior permission for sub-letting the space as per this revised policy.
- (vi) This revised policy is made with a view, amongst others, to enable the Lessee/allotted institution to come clean on the past and to adhere to the new regime in future. All such Lessee/allotted institution that do not avail of the new regime within the prescribed period shall be liable for stringent action.
- (vii) In case the sub-letting is not brought within the permissible limit of 25% within eight months from the date of issue of these guidelines, the Lessor/land-owning agency (L&DO) shall cancel the allotment and initiate proceeding as per law for eviction of the Lessee/allotted institution and the occupants.
- (viii) If the Lessee/allotted institution comes forward to remedy the breaches and pays the penalty as per the rules, an opportunity may be given to the Lessee/allotted institution to adopt new norms and enter into fresh agreement clearly stating that it would not resort to any sub-letting in excess of the prescribed limit and in violation of the guidelines in future.
4. This issues with the concurrence of Integrated Finance Division vide their Note diary no 2257-F dated 3-12-2007.

*R.K.*  
17/11/08  
(R.K.Sinha)

Land and Development Officer

Copy to :

- 1.PS to Hon'ble Urban Development Minister
- 2.PS to Hon'ble Minister of State (Urban Development)
- 3.Sr. PPS to the Secretary, Urban Development
- 4.PS to Joint Secretary (D&L), Urban Development
- 5.Computer Cell, Land and Development Office for feeding in L&DO web site.
6. All Branch Officers/Sections.