

No. J-22011/1/70-LI (Vol. IV)
GOVERNMENT OF INDIA
MINISTRY OF WORKS AND HOUSING

24th DECEMBER, 1983.
NEW DELHI

To,
The Land & Development Officer,
Nirman Bhawan, New Delhi.

SUB: Revision of ground rent in respect of leased land in Delhi/New Delhi.

Sir,

The Nazul leases administered by the Land & Development Office as well as a category of rehabilitation leases (Appendix XII) provide for revision of ground rent originally fixed, at the end of each successive period of not less than 30 years, provided that the ground rent fixed at each enhancement shall not exceed $\frac{1}{2}$ / $\frac{1}{3}$ of the increase in the letting value of the site without buildings at the date on which such enhancement is made. Letting value for this purpose was to be assessed by the Collector or the Deputy Commissioner of Delhi. Although complaints were filed by the Land & Development Officer in a number of cases before the prescribed authority for revision of ground rent as per the provisions of the lease deed, no final decision could be taken because of certain judgements of the Supreme Court/Delhi High Court. The matter has since been examined and it has been decided that the revision of ground rent in such cases should be clarified by the L&DO on the following basis:-

- i) The letting value of the site shall be determined from the rental value of the property, including the site, as noted in the Municipal records for house tax purposes according to the following formula:-
 - a) Rental value as per records minus outgoing such as maintenance and house tax.

NET INCOME
 - b) Net income capitalised over a period of 20 years – capitalised value of land and buildings.
 - c) Capitalised value minus cost of structure.

COST OF LAND
 - d) 9% of the cost of the value of the land-letting value.
 - e) $\frac{1}{3}$ or $\frac{1}{2}$ of this letting value, as the case may be, would be the revised ground rent.
- ii) However, since revision of ground rent is being taken up in a number of cases after a lapse of many years, the enhancement of the ground rent, to be claimed according to the above formula, will be limited for the first time

enhancement of ground rent is claimed, in accordance with the above formula, to a specific multiple of existing ground rent as per the following slab:-

No. of years elapsed since Revision has fallen due.	No. of times.
1. 0 to 10 years	Four times
2. 11 to 20 years	Six times.
3. 21 to 30 years	Eight times.
4. 31 to 40 years	Ten times.

iii) Premises occupied wholly by a lessee for a residential purposes will be exempted from the scope of revision of Ground Rent for the present. However, such cases will be reviewed each year to decide whether the Ground Rent can be revised advantageously to Government.

iv) Revision in respect of properties will be from a prospective date in cases where plaints have not been filed and option not served, and in other cases, from the date on which plaints have been filed in the Court of the Collector, exercising the option for enhancement of the Ground Rent.

2. In cases where ground rent had already been revised, with the consent of the lessee, on a different basis at the time of grant of sale permission, withdrawal of re-entry, etc. such cases need not be re-opened.

1. A statement showing the application of the formula in a few illustrative (hypothetical) cases is enclosed (Annex).

2. The L&DO may file plaints/revise plaints already filed, where necessary, in all cases according to a time-bound manner, special watch should be kept on this work and it should be ensured that the plaints are filed/revise in all cases within a maximum period of six months.

3. This issues with the approval of Finance Division vide their U.O.No. 5(23)/FD(L)/83/559 dated 24th December, 1983.

Yours faithfully

Sd/- R. Krishnaswamy
Under Secretary to the Govt. of India.

Copy to:

1. Director of Audit, Commerce, Works & Misc., AGCR Bldg., New Delhi.
2. Finance Division (Lands Unit).

3. Cabinet Secretariat, New Delhi, with reference to their No. 30/CM/83(i) dated 10th December, 1983.
4. Vice-Chairman, DDA for similar action for revision of ground rent in respect of old nazul leases administered by them.
5. All Desk Officers in Lands/Delhi Division.
6. Delhi Administration (Land & Building Department), Vikas Bhawan, New Delhi.
7. PS to Secretary (for Readers file).
8. PS to H.M.

Sd/- R. Krishnaswamy
Under Secretary to the Govt. of India.