

**Government of India  
Ministry of Works & Housing  
Land & Development Office  
Nirman Bhawan, New Delhi.**

No. L&DO/24(11)/89-CDN

Date: 25.08.89

**OFFICE ORDER NO. 14**

**SUB: Formula for calculating misuse charges in respect of land leased by Government.**

Reference: 1. Min.'s letter No.

J-20011/6/77-LII  
Dated 24.04.1981.

2. Min.'s O.M.No.

G-25018/1/85-Bt.  
Dated 07.06.89.

With effect from 01.09.89 onwards misuse charges shall be recovered in accordance with the following formula with reference to above orders:-

|                           |   |  |   |   |              |   |                                      |
|---------------------------|---|--|---|---|--------------|---|--------------------------------------|
| Size<br>of<br>the<br>plot | X | Misused<br><u>area</u><br>permissible<br>covered<br>area | X | {Present commercial<br>{rate of land for the<br>{purpose for which the<br>{property is misused. | <u>minus</u> | The Land<br>rate on the<br>date of last<br>transaction<br>for the<br>purpose for<br>which land<br>was leased. | }<br>}<br>}<br>}<br>}<br>}<br>}<br>} |
|---------------------------|---|--|---|---|--------------|---|--------------------------------------|

The above formula is based on the borrowing rate of Govt. of India at 11.40% P.A. plus 2.50% PA = 13.9% PA.

The above formula will not be applicable in cases of residential leases in Rehabilitation Colonies.

(Dr. G. S. Jaiya)  
Land & Development Officer

All Officers/Sections

Copy to:- The Ministry of Urban Development (Lands Div.) Nirman Bhawan, New Delhi for information.