

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

No. 11-3(15)R.G.R. 99


Dated 10.8.1999

OFFICE ORDER No. 21/99

Sub:- Revision of ground rent in respect of leased lands in Delhi New Delhi.

(Signature of the Director)

With reference to the Ministry of Urban Development's letter dated 15.2.99 and 29.6.99 this office has raised certain points for clarification and the Ministry has now clarified the position. A copy of Ministry's letter is being circulated for information, guidance and further compliance.


10/8/99
DIRECTOR, LAND DEVELOPMENT
MINISTRY OF URBAN DEVELOPMENT

All Branch Chief Sanctioning Officers Property sections, L.D.O.

Government of India
Ministry of Urban Development
(Lands Division)

No.J-22011/1/96-LD

New Delhi, dtd. 9.8.1999.

To

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

Sub: Revision of ground rent in respect of leased lands in Delhi/ New Delhi.

Sir,

With reference to this Ministry's letter of even no. dated 15.2.99 and 29.6.99 on the subject cited above and certain points have been raised by the Land & Development Office for clarification. The matter has been examined further in the Ministry and the following clarifications are issued for information and guidance of the lease administering authorities :-

ISSUES RAISED	CLARIFICATIONS
(i) As per Ministry's letter of December, 1983 and clarification dated 15.2.99, L&DO have to file plaints or revised plaints if already filed in some cases, even if ground rent is to be revised as per the revised formula given in the Order of December, 1983. This practically halts the whole process because Land & Development Office had filed plaints in number of cases with Dy. Commissioner during 60s and early 70s. In all those cases the revision of ground rent did not take place because <u>letting value was not</u> determined by the Dy. Commissioner as required by the provisions of the lease deed. Therefore, filing of plaints in such cases has not helped this office in any manner. In view of this, it may be decided as to whether ground rent may be revised straightaway applying the formula given in the Order of December.	(i) As per the instructions, the ground rent may be revised but plaints are required to be filed as provided under the terms of the lease. <u>The filing of plaint is necessary to show that the Lessor</u> has exercised its option to revise the ground rent.

(ii) In cases of conversion application, it is observed that in some cases complaints have been filed in the Dy. Commissioner's Office whereas in some other cases no such complaints have been filed. As per clarification issued by the Ministry on 15.2.99, ground rent is to be revised from the date of filing of the complaint. The filing of the complaint does not by itself complete legal requirements as envisaged in the relevant provision of the lease deed for revision of ground rent. Therefore, this distinction does not appear to be appropriate. Further, the Order of 83 states that the revision is to be prospective in those cases where the complaints have not been filed. This may also lead to an anomalous situation in as much as the case in which the complaint following had not been filed were mostly those cases in which breaches were noticed. Thus existing guidelines will result in revising ground rents of those lessees whose properties were without breaches and not revising ground rent in those cases where breaches were existing at the time when the ground rent became due for revision. Rather those who abided the terms of Lease Deed pay more and the violators pay less.

(iii) As per conversion policy, all dues are to be determined taking date of application for conversion as the crucial date. Therefore, as per existing guidelines if the complaint is not filed in those cases where conversion applications were received, no revision of ground rent has to be done. This presumption may be confirmed.

(iv) It has been clarified by the

The filing of complaint is the first step towards the revision of the ground rent and until and unless this step is taken, no further action for revision of ground rent is possible. The discrimination as pointed out by the L&DO cannot be avoided, and may result in certain cases. But the position has to be viewed in the light of the decision of the Cabinet, and it will not be possible for the Ministry/L&DO to go against the letter and spirit of the decision.

The presumption is confirmed. But the inaction on the part of the lease administering authority may result in loss of revenue if ground rent is not revised even in those cases where applications for conversion have not been filed so far.

The question of second revision arises only

Ministry that the existing guidelines are not applicable for the cases in which 2nd revision of ground rent has fallen due. It is also to be decided how the ground rent in such cases is to be revised (2nd revision) as in a number of cases the 2nd revision has also become due.

(v) It has been clarified vide Ministry's letter dated 15.2.99 that the existing guidelines covered period upto 40 years beyond due date of revision of ground rent and not beyond. It has to be decided as to what formula should be applied in those cases where more than 40 years have lapsed since revision has fallen due.

(vi) Since the procedure for revision of ground rent is complicated and in view of the liberal approach presently being adopted, it is suggested that the revision of ground rent may be dispensed with in all cases where

after first revision is carried. Accordingly, the first revision of ground rent may be done expeditiously. The lessor has to exercise option each time the ground rent is to be revised. This will obviously be applicable in the case of second revision of ground rent also. Such an option will be effective from the date it is exercised. As such, such a revision of ground rent would be effective from a prospective date on which the lessor exercises his option. The lessor has also to file plaint before the Dy. Commissioner for determining the letting value of the land. Accordingly, in the cases of institutional properties etc. wherever second revision of ground rent has become due, L&DO may file plaints before the concerned Dy. Commissioner. In those cases of residential properties where conversion applications have already been received, the second revision of ground rent will not materialise for obvious reasons. In other cases, as mentioned above, L&DO may file plaints immediately to avoid any loss of revenue to the Govt.

The policy in this regard is yet to be finalised.

The position has been clarified above. It may not be possible for the Ministry to approve the suggested course of action.

conversion applications have been submitted, irrespective of the fact as to whether the plaint has been filed or not. This approach is justified when all the misuse and damages recoverable are being ignored. Further, when the revision is to be prospective in all cases in which conversion application has been received before the revision of ground rent, the recovery of RGR is 'NIL'. Therefore, the above suggestion may be accepted.

2. The suggestion that revision of ground rent may be dispensed with where conversion applications have been received do not appear to be logical. Instead sincere and concerted action plan needs to be drawn to settle the cases of revision of ground rent both for institutional as well as residential-commercial leases.

4. This issues with the concurrence of Finance Division vide their ED.No.134 dated 5.8.99.

Yours faithfully

(Lalji Singh Chan

Under Secretary to the Govt. of Ind

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1. Director of Audit, C.A.M. AGR R Bldg, New Delhi.
2. Finance Division (Land Unit), MoUD.
3. Cabinet Secretariat, New Delhi, w.r.t. their O.M.No.30 (M/ 83(i) dated 10.12.83.
4. VC, DPA, Vikas Sadan, New Delhi.
5. All Desi. Officers in Lands - Delhi Division.
6. Delhi Administration (L&R Dept), Vikas Bhawan, IP Estate, New Delhi.

(Lalji Singh Chan

Under Secretary to the Govt. of Ind

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