

# CHAPTER-31

## GROUND RENT

### (1) CATEGORY OF LEASES:

For the purpose of recovery of ground rent the leases administered by the Land and Development Office can be categorised under the following heads:-

#### **(i) LEASES IN WHICH NOMINAL GROUND RENT IS PAYABLE ANNUALLY**

The properties falling under this category are those leased by the Regional Settlement Commissioner in Appendix-XI and which still stands in the name of the original lessees, their successors or have changed hands only by transfer.

#### **(ii) LEASES IN WHICH ANNUAL GROUND RENT IS PAYABLE IN TWO HALF YEARLY INSTALLMENTS IN ADVANCE:**

In leases falling under the category this annual ground rent is recovered in two half-yearly instalments in advance by the due date in January and July every year.

This category includes:-

- (a) Perpetual Leases by the Land & Development Officer,
- (b) 99 Years leases by the Regional Settlement Commissioner in the form 'Appendix - XI' which have changed hands by transfer twice or more; and
- (c) 90 years leases is leased by the Notified Area Committee.

#### **(iii) LEASES IN WHICH ANNUAL GROUND RENT IS PAYABLE IN ONE INSTALMENT IN ADVANCE:**

In leases falling under this category the annual ground rent is payable in one instalment in advance by the date specified in the Lease Deed which is generally the date of commencement of the lease, for the first twenty years of lease and by the 1st of April every year thereafter. This category comprises

the leases executed by the Regional Settlement Commissioner in Appendix – XII and the like.

(iv) TEMPORARY LEASES:

Temporary Leases extended from time to time.

(Generally on year to year basis)

(2) PROCEDURE FOR THE RECOVERY OF GROUND RENT:

Under the terms of lease it is the responsibility of the lessee to pay the ground rent by the due date (as specified in the Lease Deed) and is not obligatory on the part of the Lessor to make a demand of the same. However in order to facilitate timely payment of ground rent by the lessees it is administratively desirable that courtesy demand notices are sent to them in the form at Annexure – I at least one month in advance of the due date in all cases. Where only a nominal ground rent (Rs. 1/- per hundred sq. yds. of plot area) is recoverable or where in any property governed by any kind of lease there are breaches of the terms of lease, no notice shall be issued.

It shall be the responsibility of the respective dealing hands in the lease sections for timely recovery of ground rent in respect of properties leased by the office of the Land and Development Officer (i.e. original side). In respect of properties transferred by the Regional Settlement Commissioner to this office the responsibility shall lie on the respective dealing hands in concerned Property Sections. Each dealing hand shall maintain a separate register of Ground Rent in respect of properties dealt with by him. The register shall be arranged block-wise and plot-wise and shall also record municipal house number, if available for facility of reference. At the same time, the separate sets one each for:-

- (i) Leases on nominal ground rent;
- (ii) Leases executed in Appendix – XI, which have changed hands twice or more;
- (iii) Leases executed in Appendix – XII and the like forms where the Ist twenty years of lease have not been completed;

- (iv) Leases executed in Appendix – XII where revised ground rent has been fixed after 20 years.

The set of Registers for leases mentioned at (i), (ii) and (iv) above shall be maintained property-wise viz., Block No./ House or Municipal House Numbers, as the case may be but the registers for leases mentioned at (iii) above shall be maintained according to due dates of recovery of ground rent in order to facilitate grouping of properties in which the ground rent falls due on the same date irrespective of their numbers etc. After the expiry of 20 years these registers shall be maintained in the same way as prescribed for (i), (ii) and (iv) above.

The next date of revision of ground rent shall be indicated in red ink in the Remarks column against the relevant year on each ledger folio.

In the 1st week of December and June every year each dealing hand in Lease Sections shall take out files of all the Perpetual lease hold properties (issued by Land & Development Officer) dealt with by him, segregate the files of properties having breaches and prepare demand notices in respect of the remaining properties in the prescribed form and submit them to Supdt. For signatures. On receipt back of the files alongwith the office copies of the Courtesy Demand Notices, the date of issue of each notice shall be noted in the Ground Rent Demand Register of each property for which such notice has been issued.

If, in any case, the lessee wants to make payment of annual ground rent in one instalment in advance, such payment shall be accepted provided that if there are no breaches in the knowledge of the Land & Development Officer. In case there are breaches, the ground rent shall be accepted only if it is accompanied by the charges in respect of such breaches for the year in advance.

A copy of each courtesy demand notice issued by Lease Section shall be sent to Revenue and Accounts Section for watching recovery of dues. Similarly, Property Section shall take out files of properties entered in the register included in item number (ii) above, in the 1st week of December and June every year and issue courtesy demand notices to the concerned lessees, in the prescribed form.

The Section shall also take out files of properties entered in register included in item no. (iv) above in February of every year and issue courtesy demand notice. The demand notices shall be prepared and issued at least one month in advance of the date of which ground rent falls due in each case. After a courtesy demand notice is issued by the Property Section, a note of it shall be made in the Ground Rent Register.

“Courtesy Demand Notice” for nominal ground rent shall not be issued. However, if the Ground Rent is tendered by the lessee, such payment shall be accepted if there is no breach as per the records of the lessor on the date of acceptance. The Ground Rent for five years can be accepted in advance if tendered.

Ground rent in respect of temporary leases or licensed properties shall be demanded as and when the period of lease or licence is extended.

### (3) WATCH ON THE PAYMENT OF GROUND RENT BY THE LESSEES:

Accounts Section, on receipt of a copy of a courtesy demand notice from the Lease or Property Section shall enter the demand in the ledger for watching the recovery of the dues. Revenue and Accounts Section shall also verify the correctness of the demand made with regard to the period and amount. In case of any error the same shall be intimated to the concerned Lease or the Property Section for rectification.

A lessee may be ground rent by depositing it in cash in the Reserve Bank of India or by sending a crossed cheque/Bank Draft in favour of Land & Development Officer. The procedure shall be intimated to each lessee in the courtesy demand notice. Intimation of realisation of the amount by the Reserve Bank of India, is sent to the Land & Development Officer through the first copy of the Challan (CCD-63). Receipted Copies of Challans shall be collected by a clerk of this office from the Treasury once a week.

One receipt of the first copies of challans from the Treasury, the Accounts Section shall enter the amount realised, in each case, in Reconciliation Register, as also in individual property ledger. The entry in the ledger shall be countersigned by Accountant incharge of the Section. Accounts Section shall after posting the amount realised in the ledgers, prepare a Memo in the prescribed format and send it to Lease and Property Section concerned for making necessary entries in Rent Demand Register. Discrepancy, if any, in

the amount demanded and the amount realised shall be indicated in the Memo. Accounts Section shall themselves post the entry in the ledger.

On receipt of a Memo of payment from Accounts Section the dealing hand of the concerned section shall add it to the relevant file, tally the amount realised with the amount demanded and then enter the date of payment in the relevant Ground Rent Demand Register.

On expiry of one month after the due date of payment i.e. in the second half of February and August, every year, each dealing hand of the concerned Section shall scrutinise his Ground Rent Register and initiate action against the defaulting lessees in accordance with the terms of lease.

**(4) RECEIPT AND ENCASHMENT OF CHEQUES/BANK DRAFTS:**

The lessee may either pay the ground rent in cash in the Reserve Bank of India or they may send cheque/Bank Drafts in favour of the Land & Development Officer.

On receipt of a communication from a lessee enclosing therewith a cheque/Bank Draft, the Central Receipt Section shall immediately pass on the same to the Valuable Clerk after entering it in Central Diary Register. The Valuable Clerk shall remove the Cheque/Bank Draft, enter it in the Register of Valuables and keep it in safe custody with him after noting on it the serial number allotted to it in the Register of Valuables. The covering letter and/or challan shall be passed on by him to the Section concerned with the following details entered on it:-

Cheque No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs.  
\_\_\_\_\_ drawn on

Bank \_\_\_\_\_ has been detached and entered at serial number \_\_\_\_\_ of the Register of Valuables.

(Name of  
Section)

Signature

Valuable Clerk

On receipt of the covering letter the concerned Section shall acknowledge receipt of the cheque. The section shall thereafter check up whether the cheque has been sent by the lessee/attorney of the lessee/any other person. In case it is sent by an attorney, a copy of Power of Attorney Deed will be obtained and kept on record, if not already on file. Irrespective of whether a Cheque is signed by the lessee or his attorney or a person other than a lessee, it shall be necessary to ensure that the sender of the Cheque is the lessee himself or the cheque has been sent for and on behalf of the lessee. This is because the Land & Development Officer has to act according to the instructions of the sender and is not guided by the signatory to the Cheque without any instructions. After such scrutiny the Section concerned shall:-

(i) Prepare a challan in the form CCD-63 showing correct head of account or if the Cheque is accompanied by a challan, revalidate it and send it to the Valuable Clerk duly scrutinised and signed by the Officer Incharge of the Section, as the case may be, if there are no breaches of the terms of lease in knowledge; or

(ii) Prepare a letter for the return of the Cheque/Draft to the lessee if there are any un-regularised breaches of the terms of lease, and send it to the Valuable Clerk who shall attach the Cheque/Draft to the fair copy of the letter and get it despatched after making necessary entries in the Register of Valuables.

All letter/Challans with which cheques/bank drafts are received shall be dealt with on priority basis. On receipt of a challan from the Section concerned the Valuable Clerk shall check up whether the amount has been correctly shown therein and correct head of account has been filled in. He shall then attach the Cheque/Draft thereto, make an entry in the Register of Valuables under the column 'disposal', enter the challan in Token Register and send it to the Reserve Bank of India for encashment. The Reserve Bank of India returns the third copy of the challan duly receipted. On receipt of the third copy from Reserve Bank of India, the Valuable Clerk shall note down the date of encashment in Token Register, enter the date of Reserve Bank of India receipt in column 12 of Register for Valuables and post the third copy to the addressee as mentioned in that copy for his information and record.

In the case of lessees who are foreign missions in India, this copy shall be sent by the Section concerned with a forwarding letter.

The Reserve Bank of India Passes on the 1<sup>st</sup> and 2<sup>nd</sup> copies of the challans to the Treasury after encashment of the Cheque/Draft. The 2<sup>nd</sup> copy is retained by the Treasury and 1<sup>st</sup> copy of the challan duly receipted by the Reserve Bank of India shall be collected by the office from the Treasury. The 1<sup>st</sup> copy of the Challan shall be received by Accounts Section which shall keep it in record after making entries in the ledgers.

A weekly report of Cheques/Drafts pending with him shall be prepared by Valuable Clerk and submitted to Administrative Officer who shall place them before the Land & Development Officer as and when desired by the latter.