

CHAPTER – 23

NON-PAYMENT OF GROUND RENT

Every lessee or licensee is required to pay the ground rent or additional ground rent, if any, specified in the Lease Deed/Supplementary Lease Deed on the specified dates. Non-payment of ground rent on the specified dates shall be treated as a breach of the Agreement for Lease/Lease Deed.

In cases where there is no other breach of the terms of lease and the payment is made before the property is re-entered, whether or not the lease deed contains a clause for the recovery of interest on the arrears of ground rent, the ground rent shall be accepted on payment of interest on the arrears of ground rent a fixed by the Government from time to time unless it is fixed in the terms of the Agreement.

In cases where the property is re-entered for non-payment of ground rent only, re-entry shall be withdrawn only after the recovery of penal interest rate of interest fixed by the Government from time to time or as provided in the lease deed.

In cases where property is re-entered for other breaches and the ground rent has not been accepted on account of the breaches, the normal rate of interest shall be recoverable alongwith damages/additional charges and other penalties for the purpose.

NOTE:

- (a) No interest shall be charges if the amount of annual ground rent does not exceed Rs. 20/-
- (b) Whether a party other than the lessee sends a cheque for ground rent which is not encashed, pending clearance whether the same had been sent for and on behalf of the lessee, interest shall be levied only upto the date preceding the date of receipt of the cheque in the office. No interest shall be levied for the period of delay in encashment.