15 OCT 2001

GOVERNMENT OF TAMIL NADU

ABSTRACT

Lease - Grant of Government lands on lease - Execution of lease deed - Inclusion of a new condition for payment of lease rent till the renewal of lease - orders issued.

Revenue (LD.II(1) Department

G.O.Ms.No. 824 63183 Dated: 10.9.2001

Read:-

1. G.O.Ms.No.460, Revenue, (LD.II(1) Department, dated 4.6.98.

Read also:

2. The Special Commissioner and Commissioner of Land Administration, Lr. No. E1/29240/99, dated 29.7.99.

3. From the Special Government Pleader, Letter, dated 31.5.2000.

O R D E R :

Government lands are normally allotted to individuals, private bodies, corporations, local bodies, recognised clubs etc., on lease basis for specified period for non-agricultural purpose under PSO 24-A. Government in their order read above, have prescribed the lease rent local cess and local cess surcharge on land value for adoption for leasing of Government poramboke lands.

2. During the departmental audit and accounts committee meeting held on 17.6.99, by Secretary to Government, Revenue Department with the Deputy Accountant General along with departmental officers, the Deputy Accountant General pointed out that as far as leasing of Government lands is concerned, leases are granted for 20 years subject to the condition that the lease rent should be revised once in three years. She has pointed out that when the proposals are sent to Government for renewal of lease, it takes normally two or three years to grant further extension of lease. Till the lease is renewed, the lessee is enjoying the land without paying lease rent. Thereby Government dues are locked up without interest. Hence, she has suggested that a condition should be stipulated in the lease deed that till the renewal of lease, the lessee should pay the old lease amount and the difference shall be paid after the renewal of lease so that the arrears of lease rent could be avoided.

3. The Special Commissioner and Commissioner of Land Administration

4. The Special Government Pleader, High Court, Chennai who was consulted in the matter for incorporating necessary condition in the lease deed agreement, has opined that

the idea of making the lessee pay the old lease amount till its revision is welcome, legal and valid and it is advisable and desirable to incorporate such provision,

regarding the payment of difference he has stated instead of the difference between the old rent and the revised rent being paid after the issue of orders of revision of the lease amount, the lessee should pay in addition to the old lease amount, an increase of about 20% of the existing lease amount as a tentative rental value payable on renewal subject to the actual revision of rent that may be fixed.

5. The Government have examined the proposal again in detail along with the above opinion of the Special Government Pleader, High Court, Chennai. Normally, while arriving at the valuation of Government lands for any given year, an increase of valuation of 12% per annum to the base year/reference year valuation is added as a sort of indexing. By civil o this indexation, a tentative valuation of the land on lease could be worked out as at the end of the period and the percentage provisional increase in lease rent on expiry of the current period can be worked out even before signing the lease deed with the lessee. It has been considered that the above provisional increase in the lease rent on expiry of the lease period will be more realistic.

6. The Government have accordingly decided to incorporate a new condition in the lease deed as indicated below:-

"When the lease has to be renewed on its period of expiry, the lessee shall pay the lease amount, which may be tentatively arrived at by adding the percentage provisional increase in lease on the tentative valuation of land on an increase of 12% per annum to the lease year/reference year till its renewal/ revision of rent that may be fixed."

7. The Special Commissioner and Commissioner of Land Administration/Collectors are requested to take necessary action for incorporating the above new condition in the lease deed and implement the orders.

9. The Special Commissioner and Commissioner of Land Administration is also requested to send necessary proposal for suitably amending condition in the Annexure-XXX-A to R.S.O. 24-A.

/BY ORDER OF THE GOVERNOR/

DEBENDRANATH SARANGI
SECRETARY TO GOVERNMENT.

To
The Special Commissioner and Commissioner of
Land Administration, Chennai-5.
The Principal Commissioner and Commissioner of
Revenue Administration, Chennai-5
All Collectors
The Director of Rural Development, Panagal Buildings,
Saidapet, Chennai-15.
The Director of Municipal Administration, Chennai-5

Copy to:
The RD/MA & WS/PWD/Finance Departments, Chennai-9
The Accountant General (Audit-II), 44, Greams Road, Chennai-6
The Revenue (LD.I/OP.III) Departments, Chennai-9
P.A. to Deputy Secretary (LD), Chennai-9
SF/SC-50 copies.

/FORWARDED BY ORDER/

11.9.2001
SECTION OFFICER

Dt. in Ms 63 /88/ 2001 dt. 10.2.01

Copy communicated for necessary and report.