

GOVERNMENT OF WEST BENGAL
Department of Urban Development & Municipal Affairs
"Nagarayan"
DF - 8, Sector-I, Bidhannagar, Kolkata-700 064

No. 946/UDMA-22012(11)/13/2024-ESTT-TCP SEC-Dept. of UDMA

Date: 11/06/2024

Notification

Whereas, by Notification No.91-UDMA dated 17.01.2023, the Department of Urban Development and Municipal Affairs introduced the West Bengal Land Conversion (Leasehold land to Freehold) Scheme, 2022 and by Notification No.1902-UDMA dated 17.11.2023 of that department some modifications of the scheme were made;

And

Whereas, by Notification No.2701-LP dtd. 10.07.2023 of L& LR and RR&R Department, provisions for Leasehold to Freehold conversion of land was made and by Notification No.1151-LP dtd. 11.03.2024 of that Department, the Notification No.2701-LP dtd. 10.07.2023 was made applicable for all Govt. Deptts. along with parastatals, Municipalities, Municipal Corporations, Development Authorities, WBHIDCO, Nabadiganta Industrial Township Authority etc. under UD & MA Department;

And

Accordingly, for this department along with its parastatals and Urban Local Bodies, following provisions are prescribed.

(i) Lease tenure eligible for conversion from Leasehold to Freehold: From 30 years to 99 years (including all years in between 30 years and 99 years) and above 99 years (up to 999 years).

(ii) Freehold conversion of proportionate undivided share of land appertaining to flat / shop: Freehold conversion of proportionate undivided share of land appertaining to flat / shop shall be allowed provided that in the lease deed along with the flat / shop, the leasehold right of proportionate undivided share of land was conferred. For cases where the proportionate share of land has not been conferred but the proportionate land price was realized along with the price of structure (flat / shop) that shall also be allowed for conversion to freehold. The charges for freehold conversion of the proportionate share of land appertaining to flat / shop shall be same as for freehold conversion of leasehold land.

(iii) Inclusion of license agreement: For parastatals, where through license agreement, similar rights were conferred as was conferred through lease agreement and tenure of such license agreements are 99 years or above and the license was granted prior to the introduction of the Land Allotment Policy, 2012 of L&LR and RR&R Department vide order no.6686-LP/IA-18/2012 dtd.26/12/2012, those license agreements shall also be considered for conversion provided that there shall not be any revenue loss to the Government / parastatal(s); i.e. all dues to the Government / parastatal(s) including interest and penalty (as applicable) as per provision of the license agreement shall be realised first and then only conversion from license to freehold shall be allowed provided that there is no violation of the agreement.

(iv) For conversion of land with semi-finished structure / finished structure where the semi-finished / finished structure was constructed out of fund of Government / parastatals (including WBHIDCO) / ULBs (including Industrial Township Authorities), for calculation of the conversion fee, only the current IGR valuation of land shall be considered as the leasehold to freehold conversion is related to the land.



(v) **If the leasehold right is mortgaged**, NOC from Mortgagee shall be submitted along with the application.

(vi) **Conversion of leasehold to Freehold of land allotted to other Government Entities on Leasehold basis:** For land parcels where UD & MA Department is the owner of the land parcel that was leased out to other Government Entity (2nd Party) who in turn allotted to third parties, for conversion from leasehold to freehold the application needs to be submitted by the third party to UD & MA Department along with NOC and no due certificate from the 2nd party.

(vii) **No dues to Government:** To be eligible for conversion from leasehold to freehold, there shall not be any due on account of lease rent or other charges payable by the lessee as per the lease agreement.

(viii) **Calculation of Pending Lease Rent:** For the purpose of calculation of pending lease rent, the 'current land price' as mentioned in the lease deed shall be interpreted as the land price / valuation of land that was determined during execution of the lease deed and on which salami and rent was first calculated.

(ix) **Fee for conversion from Leasehold to Freehold:**

Lease Tenure	Conversion Fee
99 years and above, up to 999 years	15% of the current market price of the land as determined by IGR & CSR, West Bengal
30 years	70 % (55% for lease conversion from 30 years to 99 years + 15% conversion fee for freehold) of the current market price of the land as determined by IGR & CSR, West Bengal
For any period between 30 to 99 years	(15 + X) % of the current market price of the land as determined by IGR & CSR, West Bengal where X is a variable depends on years of lease and shall be calculated as follows. $X = 55 - (55/69) \times (\text{Tenure of lease} - 30)$ [Illustration: (i) If the lease tenure is of 60 years then X will be 31.09 % and the conversion fee = 15 + 31.09 = 46.09 % (ii) If the lease tenure is 90 years then X will be 7.17 % and the conversion fee = 15 + 7.17 = 22.17 %]

The demand notice for payment of conversion fee shall be valid for 30 days from the date of issue.

(x) **For multiple Land use:** For lease deeds where multiples types of land uses are prescribed, the use for which the IGR valuation of the land parcel is maximum, shall be considered for calculation of conversion fees of the entire plot. However, the conversion to freehold shall be done for the uses mentioned in the lease deed.

(xi) **Stamp Duty for Registration of Deed of Conveyance:**

- For Lease Deed to Freehold conversion, the stamp duty shall be charged on the consideration amount paid for conversion.
- For License Agreement to Freehold conversion, the stamp duty shall be charged on 110% of the current valuation of the land as determined by IGR & CSR, West Bengal minus consideration amount paid for execution of the license agreement.

(xii) **Violation of the terms and conditions of the Lease Deed /License agreement** shall make the case not eligible for conversion to freehold.

(xiii) **Land leased out on nominal lease premium:** The conversion from leasehold to freehold shall not be applicable for Land leased on concessional rate(for example land parcels at Bengal Silicon Valley & Fintech Hub in New Town Kolkata etc.) and other plots which have been allotted at token price.

(xiv) **Restriction in change of Land use:** There shall be restriction in change of land use after conversion to freehold and this provision shall be included in the deed of conveyance for conversion. However, as per the existing policy of this department, for leased out residential plots, in some areas, there is provision of allowing some specified non-residential uses for a certain period up to a maximum percentage of the built up area on payment of prescribed fee. Once these plots are converted to freehold, the permission already accorded for such non-residential use shall be valid for the unexpired period. After expiry of such period, the concerned ULB shall exercise the power of allowing such use on payment of the prescribed fee as per the provisions of the said notifications or any other notification(s) that may be issued by this department in this regard.

(xv) **Pending applications submitted as per notification of UD & MA Department:** All applications for conversion from Leasehold to Freehold which were not disposed of till 10th June, 2024, shall be disposed of as per provisions of the notifications of L& LR and RR & R Department read with this new notification of this department. Here issue of demand notice by the lessor for payment of fee for conversion from leasehold to freehold shall be considered as disposal.

(xvi) **Starting Bid Price for Fresh Freehold allotment:** For fresh freehold allotment through e-auction, the starting bid price shall be 110% (100%+10%) of the current IGR valuation of land.

(xvii) This new notification shall be applicable to all land of this department, its parastatals (i.e. Development Authorities, Planning Authorities including WBHIDCO etc.), Urban Local Bodies (all Municipalities, Municipal Corporations including Kolkata Municipal Corporation, Notified Township Authorities including area under Nabadiganta Industrial Township Authority i.e. Sector-V, Salt Lake).

This is being issued as per concurrence of L & LR and RR & R Department and concurrence of the Finance Department by U.O. NO. Group R/2024-2025/0063 dated 11/06/2024.

By order of the Governor,


Secretary

Urban Development & Municipal Affairs Department