

NEW DELHI MUNICIPAL COUNCIL  
PALIKA KENDRA: NEW DELHI  
(Property Tax Department)

e.No. 159164 Jt. Dir(Tax)/2018

Dated 12/07/2018

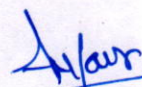
**Office Memorandum**

In terms of the provisions of section 124 of the NDMC Act, the New Delhi Municipal Council vide Reso. No. 02 (F-01) dated 04/04/2018 has resolved to grant 100% tax exemption from payment of property tax on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defense Forces, Police and Paramilitary Forces as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Awards given by the Hon'ble President of India, armed force personnel sustained disability between 76% to 100% in a war or war like operations.

Provided that the exemption shall be subject to the condition that:-

- (i) The premises in question is in self occupation for residential use and no portion thereof is let out for any purpose, whatsoever;
- (ii) In case the person concerned has more than one property in Delhi, the exemption shall be applicable to only one property which is permanently used for self residence.
- (iii) The benefit of exemption shall be limited to the life time of the person concerned, except where the award has been granted posthumously, in which case the exemption will be granted to the widow of the gallantry award winner limited to the life time of the such widow.

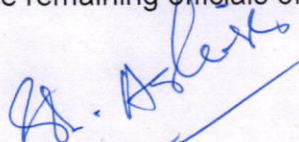
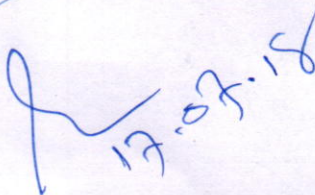
The above decision of the Council is being implemented with immediate effect.



(A. N. Gaur)  
Jt. Dir. (Tax/Admn)

Copy to the following for information and necessary action:-

1. PS to the Chairman, NDMC.
2. PS to the F.A., NDMC.
3. PA to the Secretary, NDMC
4. Director (Tax)
- ✓ 5. Jt. Director (IT) with the request to upload the above O.M. and the enclosed Council Resolution on the Property Tax page of the NDMC website.
6. Jt. director (Tax)-II/DD(Tax)/A.O.(Tax)/AAO(Tax)
7. All the Tax Inspectors, Property Tax Deptt.
8. All the remaining officials of the Tax Deptt.

  
  
17.07.18

ITEM NO. 02 (F-01)

1. Subject: Grant of exemption from payment of property tax to War Widows, gallantry award winners in defense forces Police and para military forces or their widows and also civilians who have received bravery award of the highest order from the Government including Annual Bravery Awards given By the Hon'ble President of India.

2. Name of the Department : Property Tax Department

3. Detailed history of the subject and proposal for consideration of Council

2.1 The matter regarding grant of exemption from payment of property tax on vacant lands and buildings owned exclusively by War widows, gallantry award winners of Defense Forces, Police and Para Military Forces or their widows and also civilians who have received bravery awards given by the President was discussed in the 12<sup>th</sup> meeting of Rajya Sainik Board, Government of NCT of Delhi chaired by Hon'ble Lt. Governor of Delhi held on 19.05.2017 in the Conference Hall, Raj Niwas, Delhi, and it was unanimously decided to grant exemption of property tax in respect of above said categories. A copy of letter from Rajya Sainik Board dated 21.7.2017 along with extract of minutes is enclosed.

2.2 Property Tax Department has examined the aforesaid recommendations in consultation with Finance Department and Law Department.

3. It is mentioned here that In the case of Municipal Corporation of Delhi, Section 115(vii) of the Delhi Municipal Corporation Act, 1957 (as amended up to date) provides for 100% exemption from payment of property tax in respect of above said categories except the widows of the Gallantry Award winners. However, in the meeting aforesaid held in Raj Niwas, the Hon'ble Lt. Governor desired to include the Widows/NoK of Gallantry Award Winners also in the exempted category in view of their grave financial position. It has been mentioned in the minutes that the Hon'ble L.G has expressed grave concern about the financial position of widow/NoK of Gallantry Award Winners; hence Local Bodies may examine the matter sympathetically.

4 Whereas there is no specific provision in NDMC Act 1994 to grant the exemption from payment of property taxes in respect of aforesaid categories of persons, Council may consider to grant such exemptions under section-124 of NDMC Act; which provides as under:-

*"The Council may, by resolution passed in this behalf, exempt either wholly or in part from the payment of any tax levied under this Act, any class of persons or any class of property or goods."*

4.1 Keeping in view the above provisions of NDMC Act, 1994, the recommendation of Rajya Sainik Board, Delhi to extend the exemption from payment of house tax to subject categories may be considered.

4.2 It is proposed to grant 100% exemption from payment of property tax on the lines of MCD on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defense Forces, Police and Para Military Forces or their widows and also the civilians who have received bravery awards of the highest order from the Government including Annual Bravery Award given by the Hon'ble President of India.

4.3 Further the Council may consider to stipulate certain conditions for the proposed exemptions:-

(a) The premises in question is in self occupation for residential use and no portion thereof is let out for any purpose, whatsoever;

- (b) In case the person concerned has more than one property in Delhi, the exemption shall be applicable to only one property which is permanently used for self residence.
- (c) The benefits of exemption shall be limited to the life time of the person concerned.

4.4 Since the exemption would be only in respect of premises in self occupation for residential use and for only one property, thus there would be very few cases and financial implications would be bare minimum in case the proposed exemption of property tax is considered.

5. Comments of the Finance Department.

The Finance Department has concurred the proposal vide Dy. No.571 dated 26/03/2018 and found the Agenda in order. However, it was desired to ensure the following:-

Since Section 124 'General Power of Exemption' of NDMC Act provides that 'The Council may, by resolution passed in this behalf, exempt either wholly or in part from the payment of any tax levied under this Act, any class of persons or any class of property or goods' As such, the department may process their proposal to the Competent Authority for further consideration. Before submitting the case to competent authority i.e. Council, the department may bring on record:-

- (a) As the deptt. has proposed exemption on the line of DMC, the relevant provision/document may be placed on record.
- (b) Financial implications of exempted assessed as per proposal of the department.
- (c) The deptt. may also have comments on the Law Department.

6. Comments of the Department on comments of Finance Department.

- (a) Relevant Section 115(vii) of DMC Act was placed on record.
- (b) At present, there is no such case available in NDMC area as per information received from Rajya Sainik Board. However in future, there may be very few cases. However, since the exemption would be in respect of self occupied residential properties that too in self use and apply to only one property, thus there would be hardly any cases under this category following in NDMC area. As such financial implications would be bare minimum.

7. Comments of Law Department.

Consultant (Legal) has opined that:-

The Council is competent by virtue of Section 124 of NDMC Act to grant exemption by resolution from the payment of property tax levied u/s 62 of the NDMC Act, 1994 to the above categories of person. Subsequently, CLA has also vetted the proposal vide Dy. No.355 dated 27/03/2018.

8. Financial Implications:

The exact financial implications cannot be made as of now but it is certain that there may be very few cases in future which may be covered under the proposal and thus would be no significant financial implication. As per e-mail received from the Rajya Sainik Board there are 32 Gallantry Award Winners residing in NCT area and none

of those pertains to NDMC Area. So financial implication with regard to Gallantry Award Winners would be 'NIL' as of now.

9. Legal implications of the subject  
NIL

10. Details of previous Council Resolution, existing law or Parliament and Assembly on the subject.  
NIL

11. Recommendations

The Council may approve the relevant recommendation of the Property Tax Department, as consented to by Finance and Law Department, by virtue of Section 124 of the NDMC Act to grant 100% exemption from payment of property tax on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defense Forces, Police and Para Military Forces or their widows as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Award given by the Hon'ble President of India.

Provided that the exemption shall be subject to the conditions that:-

- (a) The premises in question is in self occupation for residential use only and no portion thereof is let out for any other purpose, whatsoever;
- (b) In case the person concerned has more than one property in New Delhi, the exemption shall be applicable to only one property which is permanently used for self residence.
- (c) The benefits of exemption shall be limited to the life time of the person concerned.

12. Chairman has seen the proposal and approved the same to be placed by way of Agenda Item before the Council.

#### COUNCIL'S DECISION

The Council in terms of the provisions of section 124 of the NDMC Act resolved to grant 100% exemption from payment of property tax on vacant lands and buildings owned exclusively by war widows, gallantry award winners in Defense Forces, Police and Paramilitary Forces as also civilians who have received bravery awards of the highest order from the Government including Annual Bravery Awards given by the Hon'ble President of India, armed force personnel sustained disability between 76% to 100% in a war or war like operations.

Provided that the exemption shall be subject to the condition that:-

- (i) The premises in question is in self-occupation for residential use and no portion thereof is let out for any purpose, whatsoever;
- (ii) In case the person concerned has more than one property in Delhi, the exemption shall be applicable to only one property which is permanently used for self-residence.
- (iii) The benefit of exemption shall be limited to the life time of the person concerned, except where the award has been granted posthumously, in which case the exemption will be granted to the widow of the gallantry award winner limited to the life time of the such widow.

*K. Sharma*  
For Secretary  
New Delhi Municipal Council  
New Delhi.

04.04.2018