

**NEW DELHI MUNICIPAL COUNCIL
HOUSE TAX DEPARTMENT
ROOM NO. 9007, 9TH FLOOR
PALIKA KENDRA, SANSAD MARG
NEW DELHI**

Sub:- Valuation Committee Proceedings – Minutes of the Meeting

Date:- 29/05/2009

Venue : Palika Kendra

Present:-

1. Sh. Dharmendra, Member and Chairman
Secretary-Cum-Commissioner,
Department of Industries,
Govt. of National Capital Territory of Delhi,
2. Sh. P.S. Tomar, IRS, Member
Addl. Commissioner (Revenue),
Municipal Corporation of Delhi,
3. Sh. Kuldeep Singh Gangar, Member
Joint Secretary,
Urban Development Department,
Govt. of NCT of Delhi,
4. Dr. Mukesh P. Mathur, Member
Professor & Coordinator FIRE(D)/JNNURM,
National Institute of Urban Affairs,
5. Deputy Commissioner, Member
New Delhi
6. Sh. Anurag Goyal, IRS, Member-cum-Convener
Director (Tax), NDMC

The members discussed the various issues placed before the committee. After examination, the following recommendations were made by the committee:

1. Identification of Special Category Properties to be assessed under Bye Law 3:

The following special category of land and building will fall under the ambit of bye-law 3 for the year 2009-2010.

- (i) Properties of Union Government
- (ii) Properties of State Government
- (iii) Schools
- (iv) Colleges
- (v) Hostels

- (vi) Guest houses
- (vii) Clubs
- (viii) Cinemas
- (ix) Hotels
- (x) Religious places
- (xi) Petrol pumps, LPG stations, CNG stations.
- (xii) Gas Godowns
- (xiii) Coal Depots
- (xiv) Public utility buildings
- (xv) Hospitals
- (xvi) Embassies
- (xvii) Libraries
- (xviii) Properties of Prasar Bharti

The committee recommended that antennae should be assessed under bye law 4. As these are non residential properties, actual rent would be considered if the antennae are erected on a rented space. In case of antennae erected by companies on their own properties, the annual rent is to be determined by multiplying the base unit area value with the area at the base of the antennae (including the foundation thereof) and the appropriate multiplication factors.

2. Percentage of the circle rate for valuation of land and cost of construction to arrive at the Annual rent of Special category properties:

On examining the impact of the application of bye law 3 on the special category properties, the committee recommends that Annual Rent of such properties should be arrived at after taking 5 % of the cost of land and construction at circle rate values as per Bye Law 3

3. Proportion of land area to be taken into consideration in assessing the schools and colleges:

Information was collected from the office of the L&DO & DDA on the rates of allotment of land for schools and colleges. L&DO is not charging any premium for land allotted purely as a play ground to schools and colleges if it is not taken into account for FAR calculations. Accordingly the committee recommends that the playground area should not be considered in arriving the value of land under bye law 3. The remaining land is to be assessed as in other cases based on the circle rate.

4. Method of assessment of Petrol Pumps, Gas Godowns & Coal Depots:

The committee noted that L&DO and DDA are allotting land on a license fee basis to the oil and gas companies. The rates of license fee were last revised by L&DO w.e.f. 31/12/2006 (letter No.: File No. L&DO/L-1118/5(218)/(2) dated 21/07/2006). The L&DO rates are as under:

- Petrol pumps : 100'X55' – Rs 1,81,308/- per annum.
- Filling Stations cum service stations (120'X100') – Rs 6,06,879/- pa
- Filling stations cum service stations (150'X120') – Rs 9,99,714/- pa
- CNG stations 1080 sq m – Rs 6,06,879/- pa

The license fee is to be increased at 8% per annum. For future it was decided to take the auction rates of DDA however in practice, auctions are not taking place. DDA has fixed the

license fee at Rs10,00,000/- pa with annual hike of 6% for subsequent license period of four years (ref letter No : F/13(1)/2001/CL/PP/DDA/Pt/369 dt. 24.09.2007)

The license fee works out to Rs 707 per sq m as on 1/1/2009 on L&DO rates and Rs 1102 per sq m on DDA rates. The capital value is generally arrived at by multiplying the rental value by a factor of 20. Accordingly, the capital value of land for fuel pumps falls within the range of Rs 14000/- per sq m to Rs 22,000/-. As such the committee recommends the average rate of Rs 18000/- per sq m under bye law 3 for arriving at the value of land for petrol pumps. The value of the constructed portion in a petrol pump can be worked out as in other cases under bye law 3.

The accepted norm of L&DO for Gas Godowns is to charge 1/10 of the license fee of petrol pumps. The committee recommends adoption of the same method for valuation of the land of Gas Godowns and Coal depots. Accordingly, a rate of Rs1800/- per sq m be applied to value the land of Gas Godowns and Coal Depots under bye law 3.

5. The factors for Increase in respect of each of the parameters for user, age etc:

As this is the first year of the implementation of the bye laws, the committee does not recommend any increase in the base unit area value or multiplicative factors. The committee recommends that any anomaly found in actual implementation of the bye laws be resolved by giving appropriate rebates by the Council u/s 124 of the NDMC Act, 1994.

Sd-
(Anurag Goyal)
Convener

-sd-
(P.S. Tomar)
Member

-sd-
(Kuldeep Singh Gangar)
Member

-sd-
(Dr. Mukesh P. Mathur)
Member

-sd-
(D.K. Mishra)
Member

-sd-
(Dharmendra)
Chairman