

**Recommendations of the Valuation Committee for the year 2017-18**  
**27<sup>th</sup> March 2017**

Under Bye Law-5 of the New Delhi Municipal Council (Determination of Annual Rent) Bye-Law 2009, the Chairperson, NDMC has constituted following Valuation Committee to give its recommendations for the Financial Year 2017-18:-

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| 1. | Sh. Dharmendra<br>Jt. Secretary (Land & Estate) & Member NDMC<br>Ministry of Urban Development<br>Govt. of India<br>New Delhi. | In Chair        |
| 2. | Sh. Dharmendra Kumar<br>ADM, New Delhi<br>Nominee of Dy. Commissioner, Delhi   | Member          |
| 3. | Sh. Bhagwan Singh,<br>Assessor & Collector,<br>South DMC,  | Member          |
| 4. | Sh. Ravi Dhawan, Jt. Secretary(UD)<br>Govt. of NCT of Delhi,   | Member          |
| 5. | Dr. Sandeep Thakur<br>Sr. Research Officer<br>National Institute of Urban Art  | Member          |
| 6. | Sh. M.L. Sharma<br>Director(Tax), NDMC   | Convener/Member |

The meeting of the committee has been held on 27/03/2017. The Committee examined the provisions of Bye Laws 2009 in detail and called for various informations and inputs from the Property tax Department of the NDMC. Based on the detailed deliberations, discussions and examination of the information made available to the Committee, the recommendations of the Valuation Committee, for consideration of the Chairperson, NDMC for the year 2017-18 are given hereunder:-

1. The valuation Committee has to give its recommendations under clause ( i ) to (v) of the Bye Laws 5(1) of the New Delhi Municipal Council(determination of Annual Rent) Bye Law-2009 and the same are as under:-

**i) Lands and buildings to be categorized as special category of lands and buildings for the purposes of Bye-law 3:-**

The earlier Committees has already included Gas Godown, Coal Depot, Petrol Pumps, LPG/CNG stations, buildings of the Union of India, State Governments, Embassies, Prasar Bharti, Schools, Hotels, Hospitals, Libraries, Colleges, Religious Places, Clubs, Stadium, Guest Houses, Cinemas and Hotels as coming within the special category of properties. The Committee was informed that the use factor for public purpose buildings has been fixed at 1 in the NDMC(Determination of Annual Rent), Bye Laws, 2009. Further, the Valuation Committee for 2011-12

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*Sh. Bhagwan Singh*

*Sh. Ravi Dhawan*

*Dr. Sandeep Thakur*

recommended to adopt the last available L&DO institutional rates for the Govt. & Institution Buildings. Accordingly, all the properties of Schools, Hospitals, Hostels, Libraries, Colleges, Religious Place & Institutions for Public Purposes are being assessed in one category, and the institutional land rate of Rs.9994/- per sq.mtr. has been fixed for assessing the estimated value of land of such Institutions for the year 2016-17. The Committee was informed that the definition of 'Public Purpose' has not been defined either under NDMC Act or under Property Tax Bye Laws. Till such time, this is defined categorically in the Act or Bye Laws, the Committee recommends to include the following properties also in addition to the above mentioned properties, for assessment under Public Purpose Category:-

- a) The Society/Institutions/Bodies formed by Central/State Govt./Local Bodies, other than those having corporate personality.
- b) The Institutions which were allotted land by the L&DO, DDA or other land owning agencies at subsidized land rates and which are exempt under Income Tax Act.

The Committee observed that after implementation of NDMC(Determination of annual rent) Bye Laws, 2009 and adopting the recommendations of various Valuation Committee constituted from the year 2009-10 onwards, the property tax collection of NDMC, has been satisfactory. Therefore, the Committee does not recommend any change either in the land rate or construction rate for the purpose of assessment of any property under Bye Law 3 and the rates applicable during the year 2016-17 may continue for the year 2017-18.

- ii) **Base unit area value of owner occupied building which is put exclusively to residential use:**

In view of the observations made under recommendations (i) above, the Committee recommends that the existing Unit Area Value of Rs.1200/- per sq.mtr. may continue for 2017-18 as well.

- iii) **Percentage of the circle rate for valuation of land and cost of construction (for Bye Law 3):-**

In view of the observations made under recommendations (i) above, the Committee recommends that the existing percentage to assess the annual value of the properties under Bye Laws-3, which is presently 6.5% of the estimated value of land and covered area, may continue for 2017-18 also.

- iv) **Relevant factors for increase in respect of each of parameters of the type of user, age, type of structure, occupancy, average rentals available in the building, locations of covered space and any other relevant factor.**

In view of the observations made under recommendations (i) above, the Committee does not recommend any change. The existing multiplicative factors as applicable during 2016-17, may remain applicable during the year 2017-18.

The Committee was apprised that in pursuance of the recommendations of the Valuation Committee for the year 2016-17, the occupancy factor in respect of self occupied residential properties built upon plot area upto 200 sq.mtr. was continued as 1 whereas in respect of those residential self occupied properties built upon plot having area above 200 sq.mtr. but below 500 sq.mtr., it was changed to 1.2 and in respect of residential buildings built

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upon plot area of 500 sq.mtr. and above, the occupancy factor in respect of self occupied portion was changed to 1.5.

The Committee was apprised that the Property Tax Department is facing difficulty in assessing the Group Housing Societies and multistoried Residential Flats where the plot area is not owned individually by the Flat Owners. It is clarified that the self occupancy factor of 1.2 will be applicable if the covered area of such flat is more than 200 sq.mtr. and it will be 1.5 if the covered area of a single unit of Group Housing / Multistoried flat is more than 500 sq.mtr. However, the occupancy factor for self occupied Group Housing /Multistoried flats will remain at 1 if the covered area is upto 200 sq.mtr.

It was also apprised to the Committee that some of the assesses of rented properties are showing very suppressed rent. The Committee recommends that in such cases, the NDMC can assess the property on average rent basis or on the basis of annual expected hypothetical rent as compared to some other similarly placed property, as per provisions of Section 63(1) of NDMC Act, 1994.

- v) **Method of determination of rateable value of petrol pumps, towers hoardings, and to specify the area of the land to be included in the case of schools, colleges, clubs, etc. for Bye Laws 3.**

No change for the year 2017-18 appears necessary and as such the Committee recommends no change under Clause (v) for the year 2017-18.

2. Apart from above, following issue was also discussed & considered by the Committee:-

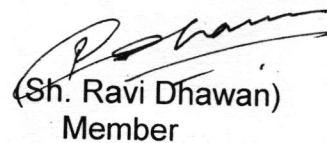
The Valuation Committee, for the year 2016-17 had recommended that a clarification may be issued to the effect that the commercial premises owned by individual but occupied by the Companies, Firms, Trust, etc. would not be treated as self occupied by the owners and the multiplicative occupancy factor of 3 would be applicable in such cases. It is clarified that in the cases where a proprietorship or partnership firm is being run from a commercial premises which is owned by the proprietor or the partners of the said firm then the premises will be treated as self occupied and occupancy factor of 1.5 will be applicable. However, if any person other than the owner(s) of the premises is the proprietor or the partner in the firm which is being run from the said premises, the premises will not be treated as self occupied and occupancy factor of 3 will be applicable.



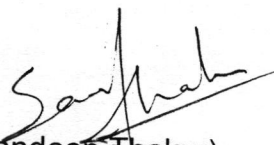
(Sh. Dharmendra Kumar)  
Member (Nominee)



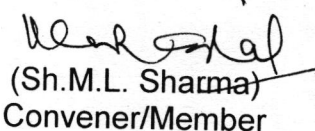
(Sh. Bhagwan Singh)  
Member



(Sh. Ravi Dhawan)  
Member



(Dr. Sandeep Thakur)  
Member



(Sh. M.L. Sharma)  
Convener/Member



(Sh. Dharmendra)  
Chairperson