



INDIA – July 2021

CONTENTS

DELHI: REVIEW OF CIRCLE RATE PUT INTO MOTION AFTER 10 YEARS.....	1
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Delhi: Review of circle rate put into motion after 10 years

Delhi government has begun the exercise to review circle rates of residential, commercial, industrial and other types of lands in the city, the last assessment of this type having been done in 2011. The administration of the 11 districts have been asked to submit details of land within their boundaries with suggestions on the matter from the stakeholders. Accordingly, the districts have invited the view of residents' welfare associations, architects, landowners, registered builders and other groups to ascertain a fair revaluation of land rates.

The suggestions and recommendations of the stakeholders will be sent to an existing government committee consisting of representative officials from Delhi Development Authority, the municipal corporations and other administrative agencies, which will then make the final recommendation to the state government. Circle rates are the minimum rates of land and properties below which a property cannot be registered. The circle rates are also the slabs according to which stamp duty and registration charges are levied by the state.

The committee will go through the suggestions to determine the crux of the opinions and this will form the basis of the panel's report on the recommendations to Delhi government. The government will review the recommendations and take the final decision. The decision of the government will be final and the circle rates of the properties will change accordingly.

A revenue department official of East district said that the revaluation of circle rates in respect of residential, industrial and other types of land and properties, barring agricultural and riverbed land, is under way. "We are seeking views and feedback from the stakeholders so that a comprehensive feedback from the district can be submitted," the official said. The complete exercise, including the submission of the committee's recommendations to the government, is likely to be completed within a month.

A prescribed format for submitting the feedback and suggestions has been uploaded on the website of each district, according to the official. The feedback and views have to be submitted before the evening of July 31. All the districts are collecting feedback from the stakeholders.

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The revaluation of the circle rates will be carried out for the various classes of properties, labelled as A to H categories. The post-reassessment rate of properties could increase different percentages across different categories of properties, as has happened after every revaluation. The circle rates are highest in A category of properties, like those in Greater Kailash and Vasant Kunj, while in the H category the circle rates of properties are the lowest among all the circles. Currently, the circle rate for an A category of property is Rs 7.7 lakh per square metre, while that for an H category of property is Rs 23,280 per square metre.

In February, Delhi government offered a 20% rebate on the circle rates of properties in residential, commercial and industrial categories in a bid to revive economic activity in the real-estate sector, the sale and purchase of properties having declined due to Covid-19. The government believed that lowering of circle rates would encourage more transactions in real estate and prevent stagnation.

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