

Annexure -I
(Referred to in Para 1.1)

Areas under the control of L&DO

<p>Akbar Road, Aurangzeb Road, Baird Road, Bhagwan Das Road, Connaught Place, Curzon Road, Doctor Lane, Feroz Shah Road, Hailey Road, Hanuman Road, Jain Mandir Road, Janpath, Jantar Mantar Road, Man Singh Road, Parliament Street, Panchkuin Road, Pahar Ganj, Prithviraj Road, Ratendon Road, Sikandara Road, S.S. Park, Tuglak Road, Tolstoy Marg, Tilak Marg</p>	<p>Bangali Market, Babar Road, Bazar Lane, Todarmal Road, Central Lane, Tansen Marg, Diplomatic Enclave, Golf Links, Jorbagh, Sunder Nagar, Abdul Fazal Road, Fire Brigade Lane, School Lane, Malcha Marg, Dharam Marg, Rajdoot Marg, Kautilya Marg, Panchsheel Marg, Nyay Marg</p>	<p>Ali Ganj, Andha Mughal, Bharat Nagar, Gulabi Bagh, Gur-ki-Mandi, Indira Nagar, Jangpura, Kalkaji 'A' Block, Nizamuddin, Lajpat Nagar, Nicholson Road, Ramesh Nagar, Rameshwari Nehru Nagar, Sewa Nagar, Sarai Rohilla, Tilak Nagar, Malkaganj, Motia Khan, Sewa Nagar Market</p>
<p>Amar Colony, C.R. Park, Dayanand Colony, Edward Lane, Hakikat Nagar, Jheel Kuranja, Lajpat Nagar, Moti Nagar, Narela, New Qutub Road, Teliwara, Timarpur, Vinobapuri, Old and New Rajender Nagar, Vikram Vihar</p>	<p>Defence Colony, East Patel Nagar, Kalkaji, Malkaganj, Malviya Nagar, Old Rohtak Road, South Patel Nagar, Tihar I, II, Vijay Nagar, West Patel Nagar.</p>	<p>Azad Market, Ansari Market, Ashoka Market, Bhagat Singh Market, Babu Market, Central Market, Desh Bandhu Gupta Market, Gaffar Market, Gokhale Market, Khan Market, Kamla Market, Kasturba Nagar Market, Khanna Market, Pleasure Garden Market, INA Market, CR Park Market, R.K. Puram, Rani Jhansi Market, Sadiq Nagar Market, Baird Road Market</p>

Annexure II
(Referred to in Para 4.2.4.1)

Potential Loss of Ground Rent in Cases Illustrated in Office Order of February 1984

Case	Ground Rent calculated in terms of letting value	Ground rent calculated using multiple slabs
1	937.00	625.00
2	14475.00	2720.00
3	248.00	382.50
4	91356.00	1440.00
5	6391.00	5182.00
6	3036.00	1920.00
7	14274.00	1900.00
8	27716.00	2644.00
9	7045.00	900.00
10	8278.00	2002.80
Total	173756.00	19716.30 19716 (rounded off)
Loss of Government Revenue		Rs. 154040 89 per cent

Calculation:

1. Loss of Government Revenue = Rs. 173756 – Rs. 19716 = Rs. 154040
2. Loss in percentage = $(154040 \div 173756) \times 100 = 88.65$ say *89 per cent*

Annexure - III
(Referred to in Para 4.2.4.1)

Monthly rental value as per Office Order of February 1984

$212504 / (5890.28 \times 0.836 \times 12)$	Rs. 3.59
$22500 / (15558.64 \times 0.836 \times 12)$	Re. 0.14

Calculation:

Considering the plot areas of 15558.64 square yards and 5890.28 square yards, for which the rateable values are Rs. 22500 and Rs. 212504 (*per annum*) respectively, and converting it into square metre (1 square yard to 0.836 square metre) and payable per month (1/12)

Annexure - IV

(Referred to in Para 4.2.4.1)

Test checked cases of Revision of Ground Rent

Lease No. 964		Lease No. 129-B	
Due Date of revision of ground rent	1 January 1973	Due Date of revision of ground rent	1 January 1962
Date of filing of plaint	Neither plaint nor option issued	Date of exercising option	1 July 1978
Elapsed period	32 years	Elapsed period	17 years
Original rate of Ground rent	Rs.606.19 per annum	Original rate of Ground rent	Rs. 1981.25 per annum
Revised rate of Ground rent	Rs. 606.19X8 =Rs. 4850/-per annum (payable prospectively w.e.f. Novem-ber 2004).	Revised rate of Ground rent	1981.25 X 6 =Rs.11888 per annum (payable prospectively w.e.f. July 1978)
Actual scenario	Scenario of timely revision	Actual scenario	Scenario of timely revision
Ground rent paid on old rates(from January 1973 to November 2004 i.e. 32 years)	If Ground rent = 606.19 X 4 = Rs. 2424.76 P.A 1973	Ground rent paid on old rates (from 1.1.1962 to 30.6.1978 i.e. 16.5 years)	If Ground rent = 1981.25 X 4 revised in January 1962 =Rs 7925 per annum
Ground rent revised at the rate of Rs. 4850 P.A from November 2004 to December 2008 i.e. 4 years)	Ground rent = 2424.76X4 revised again in January 2003 = Rs. 9699.04 P.A	Ground rent re-vised at the rate of Rs.11888 P.A from 1.7.78 to 31.12.08 i.e. 30.5 years	Ground rent = 7925 X 4 revised again in January 1992 per annum
Total Ground rent re-ceived from 1973 to 2008	Total Ground rent that would have been received From 1973 to 2002 = 2424.76 X30 From 2003 to 2008 = Rs.72742.80 = 9699.04 X6 = Rs 58194.24	Total Ground rent re-ceived from 1962 to 2008	Total Ground rent that would have been received From 1962 to 1991 = Rs 7925 X 30 From 1992 to 2008 = Rs 237750 31700 X 17 = Rs 538900
Total Ground rent payable	Rs. 38798	Total Ground rent payable	Rs. 776650
Total estimated loss to the government	(130937 – 38798) = Rs.92139	Total estimated loss to the government	(776650-395274) =Rs.381376
Percentage of loss to the Government:	70 per cent	Percentage of loss to the Government:	49 per cent

Lease No. 68-A		Lease No. 871	
Due Date of revision of ground rent	1 January 1947	Due Date of revision of ground rent	1 January 1964
Date of filing of plaint	26.12.1974	Date of exercising option	13 July 1977
Elapsed period	28 years	Elapsed period	13 years
Original rate of Ground rent	Rs.244.50 per annum	Original rate of Ground rent	Rs. 366 per annum
Revised rate of Ground rent	Rs. 244.50 X 8 =Rs. 1956 per annum (payable retrospectively w.e.f. December 1974)	Revised rate of Ground rent	366 X 6 =Rs.2196 per annum (payable retrospectively w.e.f. July 1977)
Actual scenario	Scenario of timely revision	Actual scenario	Scenario of timely revision
Ground rent paid on old rates(from January 1947 to December 1974 i.e. 28 years)	= 244.50X28 = Rs.6846	Ground rent paid on old rates (from 1.1.1964 to 30.6.1977 i.e. 13.5 years)	366 X 13.5 =Rs. 4941
Ground rent revised at the rate of Rs. 1956 P.A from 1975 to 2008	If Ground rent revised in January 1947 = 244.50 X 4 = Rs. 978 P.A Revision due in 1977 = Rs. 978X4 = Rs. 3912 P.A	Ground rent revised at the rate of Rs.2196 P.A from 1 July 1977 to 31.12.08 i.e. 31.5 years)	If Ground rent revised in January 1964 =Rs 1464 per annum Ground rent revised again in 1994 1464 X 4 = Rs 5856 per annum
Total Ground rent received from 1973 to 2008	= Rs. 73350 Total Ground rent that would have been received From 1947 to 1976 = 978 X30 = Rs.29340 From 1977 to 2007 = 3912X30 = Rs 117360 For the year 2008 = Rs. 15648	Total Ground rent received from 1964 to 2008	Total Ground rent that would have been received 1464 X 30 = Rs 43920 From 1964 to 1993 5856X 15 = Rs 87840 From 1994 to 2008
Total estimated loss to the government (162348 - 73350) = Rs.88998		Total estimated loss to the government (131760-74115) = Rs.57645	
Percentage of loss to the Government: 55 per cent		Percentage of loss to the Government: 44 per cent	

Annexure- V
(Referred to in Para 4.2.4.1)

Receipts of L&DO

Total area owned by L&DO in square metre	8,09,19,765
Total number of leases	60,526
Area owned by L&DO and given on Commercial, Industrial and Institutional	2,29,47,833
Receipts from ground rent/additional ground rent during 2008-09	Rs. 92.77 crores
Receipts <i>per square metre</i> during 2008-09	Rs. 92,77,00,000 ÷ 22947833 = Rs 40.43 <i>per square metre</i>

Annexure - VI
(Referred to in Para 4.2.4.1)

Calculation of Potential Market Value of L&DO land (based on GNCTD's notified Circle Rates)

Total area with L&DO	19995 acres=8, 09,19,765 square metre			
Remaining leases with L&DO	31702 (60,526 leases less 28,824 converted to freehold)			
Area details (category-wise leases)				
	Residential	Commercial	Industrial	Institutional
Area (in acres)	9422.605	501	97.837	5071.495
Area (in square metre)	38133282	2027547	395946	20524340
Use factor	1	3	2	1 or 2
Present value of land (Rs. in crore)	Not calculated	26155.36	3405.14	88254.66
Total value of land under L&DO as per present notified circle rates by GNCTD (Revenue Department)				Rs 1,17,815.16 crore Rounded off Rs. 1,18,000 crore

Note:

1. Use factor of institutional leases taken as 1, though in certain cases use factor 2 is applicable, as per notification dated 18 July 2007 on minimum rates (circle rates) notified by the Government of National Capital Territory of Delhi (Revenue Department). Further, since most of the L&DO areas are prime localities, the minimum land rates (residential use) applicable to 'A' category of localities i.e. Rs. 43000 per *square metre* have been used.
2. Residential areas have not been considered in view of the difficulties in unlocking market value of land in such cases.

Conservative market value

Area owned by L&DO and given on Commercial, Industrial and Institutional lease (in square metre)	2,29,47,833
Rate/ <i>square metre</i> (refer note below)	1,50,000
Market Value of Property (Rs. in crore)	3,44,217.49
	Rounded off Rs. 3,44,000 crore

Note:

As per Times of India property index (13 June 2009), the lowest rates for Capital value of independent house in prime realty market were of Greater Kailash – I & II in NCT of Delhi, which were Rs. 2.00 to Rs. 2.30 lakh *per square yards*, which amount to Rs. 2.40 to Rs. 2.75 lakh *per square metre*. As a very conservative estimate, we have adopted Rs. 1.50 lakh *per square metre* as a uniform rate for prime localities under L&DO.

Annexure - VII
(Referred to in Para 4.2.4.1)

Calculation of annual rental value and letting value

Rental Value(per square metre)	Rs. 7,751*
Potential Ground Rent (per square metre)	Rs. 4,651**
Area of lease property owned by L&DO (in square metre)	
Commercial	20,27,547
Industrial	3,95,946
Institutional	2,05,24,340
Total	2,29,47,833
Possible Ground Rent (Rs. In crore)	
Commercial	Rs. 943.01
Industrial	Rs. 184.15
Institutional	Rs. 9545.87
Total	Rs. 10673.03
1/30th of the above (Rs. in crore)	Rs. 355.77 Say Rs. 356.00

* worked out on the basis of current rental value as per market rates, as calculated below:

Rental value	$(100 \times 12 \times 9 \times 0.6) \div 0.836 = 7751$
	Rs.100: Considering average rent in Connaught Place Rs. 150 per square feet / month (Grade B) as given in Times of India (25 April 2009). We have adopted this value in comparatively less terms as Rs. 100
	12: Conversion from months to years
	9: Conversion from square feet to square yards.
	0.6 : Considering that 40% of income generated is used for maintenance and paying levies/taxes
	1/0.836: conversion from <i>square yards</i> to <i>square metres</i>

**worked out on the basis L&DO's office order of February 1984, as calculated below:

Potential Ground Rent	$(7751 \times 20 \times 0.09) \div 3 = 4651$
	7751: Rental value
	20: a factor used in office order of February 1984 to determine net income capitalised over a period of 20 years
	0.09 : denotes the factor of 9 <i>per cent</i> of cost of land
	1/3 : Since one third or one half of the letting value was to be determined and fixed as Revised Ground Rent, we have adopted the lower limit of one third to arrive at conservative figures.