

சுற்றறிக்கை

ந.க.எண்.2190/2023/ஆர்1

நாள். 30.01.2025

**பொருள்:** சொத்துவரி - மாநில அரசு / அரசு சார்புத்துறை மற்றும் ஒன்றிய அரசு சார்புத் துறை (PSU) கட்டடங்களுக்கு சொத்து வரி விதிக்கப்படும் நடைமுறைகள் குறித்து தெளிவுரைகள் வழங்குதல் - தொடர்பாக.

**பார்வை:** 1. நகராட்சி நிர்வாக மண்டல இயக்குநர் திருப்பூர் அவர்களின் கடித, ந.க.எண்.470/2025/அ1, நாள்.29.01.2025.  
2. மாநகராட்சி ஆணையர் திண்டுக்கல் அவர்களின் கடித ந.க.எண்.284/2025/அ1, நாள்.29.01.2025.  
3. இவ்வலுவலக கடித ந.க.எண்.24385/ஆர்1/2013-4, நாள்.20.01.2023 மற்றும் 07.02.2023.

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பார்வை 1 மற்றும் 2-இல் கண்டுள்ள கடிதங்களில், மாநகராட்சி மற்றும் நகராட்சிகளில் மாநில அரசு / அரசு சார்புத் துறைகளுக்கு சொந்தமான கட்டடங்களுக்கு புதிதாக சொத்து வரி விதிப்பு செய்து கேட்பு எழுப்பப்படும் தொகையானது, அதே பகுதியில் அமைந்துள்ள ஒரே பரப்பளவில் உள்ள வணிகப் பயன்பாட்டிற்கான கட்டடத்திற்கு விதிக்கப்படும் சொத்துவரி கேட்பினை விட கூடுதலாக உள்ளதால் சம்பந்தப்பட்ட துறைகளிடமிருந்து ஆட்சேபனைகள் தொடர்ச்சியாக தெரிவிக்கப்படுவதாகவும், இதனால் மாநில அரசு / அரசு சார்புத் துறைகளுக்கான புதிய சொத்து வரி விதிப்பு மேற்கொள்வதில் ஒரே சீரான முறையில் இக்கட்டடங்களுக்கு சொத்து வரி விதிப்பு செய்து கேட்பினை எழுப்பிட உரிய தெளிவுரை வழங்குமாறு கோரப்பட்டுள்ளது.

2. மாநகராட்சி / நகராட்சிகளில் அமைந்துள்ள நிலம், கட்டடங்கள் மற்றும் சேமிப்பு கட்டமைப்புகளுக்கு சொத்து வரிவிதிப்புகள் ஆண்டு வாடகை மதிப்பினை (ARV) அடிப்படையாகக் கொண்டு விதிக்கப்பட்டு வருகிறது. இந்த ஆண்டு மதிப்பானது சம்பந்தப்பட்ட நகர்ப்புற உள்ளாட்சி அமைப்புகளில் அனுமதிக்கப்பட்ட மண்டல மதிப்பு மற்றும் வரி விகிதத்தின்படி (Rate of Tax) கணக்கிடப்பட்டு சொத்து வரி விதிக்கப்பட்டுவருகிறது.

3. பொது வரி சீராய்வின் போது (General revision) மண்டல மதிப்பு மற்றும் வரி விதிப்பு விகிதங்கள் சந்தை மதிப்பினை (Market Rate) பிரதிபலிக்கும் வகையில் சொத்துவரியானது மாற்றியமைக்கப்பட்டு வருகிறது.

4. சொத்துவரியின் மண்டல மதிப்புகள் (Basic Zonal Values) குடியிருப்பு பயன்பாடு, குடியிருப்பற்ற பயன்பாடு, தொழிற்சாலை மற்றும் கல்வி நிறுவனத்திற்கு எனத் தனியாக நிர்ணயிக்கப்பட்டு மேற்கொள்ளப்பட்டு வருகிறது.

5. இவ்வாறு விதிக்கப்படும் சொத்துவரியில், சொத்துக்களின் மண்டல மதிப்பின்படி, ஆண்டு மொத்த வாடகை கணக்கிட இயலாத நிலையில், பத்திர பதிவுத் துறையால் நிர்ணயிக்கப்பட்ட வழிகாட்டு மதிப்பு (Guidelines Value) மற்றும் பொதுப்பணித்துறை விலை விகிதம் ஆகியவற்றை அடிப்படையாகக் கொண்டு கட்டடத்திற்கான மதிப்பீடு கணக்கீடு செய்யப்பட்டு சொத்து வரிவிதிப்பு செய்யப்படுகிறது.

தமிழ்நாடு நகர்ப்புற உள்ளாட்சி அமைப்பு விதிகள், 2023 அத்தியாயம் VIII-இல் விதி எண் 262-2(e)-ல் தனியார் கட்டடங்கள், மாநில அரசு / மாநில அரசு சார்புத் துறை மற்றும் இந்திய அரசின் சார்புத்துறை கட்டடங்கள் (PSU) உள்ளிட்டவற்றிற்கு நகர்ப்புற உள்ளாட்சி அமைப்புகள் சட்டம் (திருத்தம்) 2022, சட்டப்பிரிவு எண்.87-ல் படி விலக்களிக்கப்படாத கட்டடங்களுக்கு சொத்துவரி விதிப்பது தொடர்பாக பின்வருமாறு தெரிவிக்கப்பட்டுள்ளது.

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*"2(e) .The basic Zonal value method of determination of annual value of lands, buildings and storage structures shall be applicable for private properties, State Government Departments and entities, Government of India's Public Sector undertakings and enterprises which are not exempted from property tax under section 87 of the Act ."*

6. எனவே, மாநில அரசு / அரசு சார்புத்துறை கட்டடங்கள் மற்றும் ஒன்றிய அரசு / சார்புத்துறை கட்டடங்களுக்கு (PSU) சொத்துவரி விதிப்பதற்கு என தனித்த மண்டல மதிப்பு இல்லாத நிலையில் ஏற்கனவே கல்வி நிறுவனங்களுக்கு நிர்ணயம் செய்துள்ள மண்டல மதிப்பின் அடிப்படையாகக் கொண்டு சொத்து வரி கேட்பு நிர்ணயம் செய்யலாம் என தெரிவிக்கப்படுகிறது.

7. ஒன்றிய அரசுக்கட்டடங்களுக்கு (Union Government) பார்வை(3)-ல் கண்டுள்ள இவ்வலுவலக கடிதத்தில் ஏற்கனவே தெரிவிக்கப்பட்டுள்ளபடி சேவைக்கட்டணத்திற்கான (Service Charges) கேட்புகள் எழுப்பி வசூல் செய்திடும் நடைமுறைகளை தொடரவும் தெரிவிக்கப்படுகிறது.

8. மாநகராட்சி / நகராட்சிகளில் அடிப்படை கட்டமைப்பு வசதிகள், சுகாதாரப்பணிகள் மற்றும் சேவைகளை மேற்கொள்ள வருவாய் ஆதாரம் மிக முக்கியமாக உள்ளதனை கருத்திற்கொண்டு எவ்வித விடுதலுமின்றி இக்கட்டடங்களுக்கு கேட்புகள் எழுப்பி உரிய நடைமுறைகளை பின்பற்றி வசூல் செய்யும் நடவடிக்கைகளை துரிதப்படுத்த தெரிவிக்கப்படுகிறது.

9. மேலும் பத்தி 6 மற்றும் 7-ல் தெரிவிக்கப்பட்டுள்ள வழிமுறைகளின் படி, சொத்து வரி விதிப்புகள் / சேவைக் கட்டணங்களுக்கு கேட்புகள் எழுப்ப உரிய வழிவகையினை (Provisions) UTIS மென்பொருளில் ஏற்படுத்த இவ்வலுவலக திட்ட ஆராய்வாளருக்குத் தெரிவித்துக் கொள்ளப்படுகிறது.

மேற்காணும் அறிவுரைகளின் படி மாநில அரசு / அரசு சார்புத் துறை மற்றும் ஒன்றிய அரசு / சார்புத் துறை (PSU) கட்டடங்களுக்கு சொத்து வரி விதிப்பு செய்யும் நடைமுறைகளை மேற்கொள்ளுமாறு தெரிவிக்கப்படுவதுடன், இச்சுற்றறிக்கை பெற்றுக்கொள்ளப்பட்டதற்கான உரிய ஏற்பாடுகளை இவ்வலுவலகத்திற்கு அனுப்பி வைக்குமாறு கேட்டுக் கொள்ளப்படுகிறது.

**இணைப்பு:** 3-ல் கண்டுள்ள கடித நகல்

**பெறுநர்:**

அனைத்து மாநகராட்சி ஆணையர்கள்,

அனைத்து நகராட்சி நிர்வாக மண்டல இயக்குநர்கள்,

அனைத்து நகராட்சி ஆணையர்கள்.

**நகல்:**

1. திட்ட ஆராய்வாளர்.

இவ்வலுவலக "IT" பிரிவு.

2. "MCA" பிரிவு.

**சண்முகம் 21/1/25**  
நகராட்சி நிர்வாக இயக்குநர்

*V. S. S.*  
20/01/25



<p><b>From,</b></p> <p>Thiru.P.Ponniah,I.A.S.,  Director of Municipal Administration,  Urban Administrative Building,  No: 75, D.G.S.Dinakaran Road,  M.R.C.Nagar, Raja Annamalaipuram,  Chennai – 600 028.</p>	<p><b>To,</b></p> <p>1] All the Corporation Commissioners  (except Chennai)</p> <p>2] All the Municipal Commissioners.</p>
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**Roc. No: 24385/ R1/ 2013-4**

**Date : 20 - 01- 2023**

Sir / Madam,

**Sub:-** Property Tax – Urban Local Bodies – Exemption from the payment of all taxes on properties of Union Government under Article-285 of Constitution - Levy of Service charges on the Central Government properties for the services rendered by the local bodies – Ministry of Urban Development issued instructions – Regarding.

**Ref:-** 1] The Ministry of Urban Development, Government of India, New Delhi letter no: N-11025/ 25/ 94/ UGD dated:26.04.1994

2] This office earlier letter L.Dis no: 52164/ R1/ 1994 dated: 01.08.1994.

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In Article-285 under Constitution of India, necessary provision of "Exemption of property of the Union from State taxation" is provided, as follows:-

*[1] The property of the Union shall, save in so far as Parliament may by law otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State.*

*[2] Nothing in clause (1) shall, until Parliament by law otherwise provides, prevent any authority within a State from levying any tax on any property of the Union to which such property was immediately before the commencement of this Constitution liable or treated liable, so long as the tax continues to be levied in that State".*

2] In this connection, the Ministry of Finance had issued broad guidelines in 1954 which were later on amended in 1967. According to the instructions contained in Ministry of Finance's letter no: 14(1)/ 52-1 dated: 10.05.1954, No:4(7)-P/65 dated: 29.03.1967, the procedure for arriving at quantum of service charges on the properties belonging to the Central Government are calculated, as follows:-

[i] In respect of isolated Central Government properties, where all services are availed of by the Central Government in the same manner as in respect of Private properties, the Central Government will pay service charges equivalent to 75% of the property tax realized from private individuals.

[ii] In the case of large and compact colonies, which are self-sufficient with regard to services or where some of the services are being provided by the Central Government Department themselves, the service charges will be calculated in the following manner:-

[a] In case of colonies, which do not directly avail of civil services within the area and are self-sufficient in all respects, the payment of service charges will be restricted to 33 1/3% of the normal rate of property tax applicable to private properties.

[b] In respect of colonies, where only partial use of services is made, the service charges will be made paid as 50% of the normal property tax rate.

[c] In respect of colonies, where all the services normally provided by the Municipal body to the residents of other areas within its limits are being availed of, the service charges will be paid 75% of the property tax realized from Private individuals.

[iii] The net annual value for the purpose of these instructions shall be 9% of the "Capital Value" of the property concerned both in respect of residential and non residential properties. The "Capital Value" shall include the cost of acquiring or constructing the building including the cost of site, its preparation and any other capital expenditure incurred after acquisition or construction or when this is not known the present value of the building including the value of site, as borne on Central Public Works Department records or those of the Department concerned.

3] It was clarified in the Ministry of Finance letter No:4(2)-PF1/ 74 dated: 28.05.1975 and No: 42(1)-PF1/ 79 dated: 26.08.1986 that wherever services rendered by the local bodies in respect of Central Government properties are measured like metered water supply or where services like drainage and scavenging and where such specific services are part of consolidated House or Property tax, the same will be regulated according to the instructions at Sl.No (i), (ii) & (iii) above.

4] In the letter 1<sup>st</sup> cited, the Ministry of Urban Development had instructed that the Central Government is obligated to pay service charges to the Local Bodies, as follows:-

[a] at 100% of charges paid by private individuals where specific charges exist for metered/ measured services such as water; and

[b] at 75% of the Property Tax realized from private individuals in respect of isolated Central Government properties where all Municipal services are availed of by the Central Government and rates ranging from 33 1/3% to 75% of the Property Tax realized from individuals in respect of large and compact Central Government's colonies depending upon whether such colonies are fully or partially self-sufficient in the provision of local services.

5] The payment of service charges on Central Government properties is a vital source of revenue for the Urban Local Bodies. Hence, all the Executive Authorities are instructed to follow the above provisions for the payment of service charges to the Urban Local Bodies on regular basis. Similarly, the properties owned by Public Sector Undertakings under Central Government should pay the property tax/ other taxes to the Urban Local Bodies on regular basis. A copy of letters are enclosed for reference.

**Enclosure:-** As above.

*[Signature]*  
20.1.23  
Director of Municipal Administration 1/2

*[Signature]*  
20.1.23

**Copy to:-**

- 1] All Regional Directors of Municipal Administration
- 2] The System Analyst of this office for follow up action.





By E-Mail

<b>From,</b> Thiru.P.Ponniah,I.A.S., Director of Municipal Administration, Urban Administrative Building, No: 75, D.G.S.Dinakaran Road, M.R.C.Nagar, Raja Annamalaipuram, Chennai – 600 028.	<b>To,</b> 1] All Corporation Commissioners (except Chennai) 2] All Municipal Commissioners
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**Roc. No: 24385 / R1/ 2023-5**

**Date : 07 - 02- 2023**

Sir / Madam,

**Sub:-** Property Tax – Urban Local Bodies – Levy of property tax to the Telephone exchange and Bharat Sanchar Nigam Limited buildings - Non payment of property tax and other taxes – Coercive steps taken - Instructions issued – Regarding.

**Ref:-** 1] This office earlier letter no: 24385/ R1/ 2013-4 dated: 20.01.2023.

2] From the Chief General Manager, Bharat Sanchar Nigam Limited, Tamil Nadu Telecom Circle, Chennai-6 letter no. TNCO-41/13(12)/1/2022-CIVIL-TNCZ CO, Dated: 12.01.2023.

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In the above letter 2<sup>nd</sup> cited, the Chief General Manager had informed the disturbance in telecom services due to sealing of telephone exchanges and frequent issuance of Distrain warrant notices for other BSNL buildings on account of non payment of property tax by BSNL. Some of the Municipalities/ Corporations are raising their demands of Property Taxes in compliance of the High Court directions whereas many others are not complying the judgment dated 21.12.2018 of the Honorable High Court and raising the demand of exorbitantly high amount by charging property tax w.e.f. the year 2000 that is the year of formation of BSNL resulting into a situation where BSNL is not in a position to pay the demand amount raised by the Municipalities/ Corporations. There are also instances where either the calculation of property tax is not being sent by the Municipalities/ Corporations and in some cases, the calculation of Property tax is erroneous due to mistake in area considered and exclusion of discount. When the calculation of Property tax is requested to be furnished, the same is being denied by the Municipalities/ Corporations. In some cases, the area of those buildings are being considered for the calculation of property tax, which are lying vacant and declared as inhabitable by the competent authority of BSNL due to structure becoming unsafe.

2] Further, the Chief General Manager had informed that the judgment dated 21.12.2018 of Honorable Division Bench of High Court of Madras in the litigation between BSNL and erstwhile Nagercoil Municipality, after examination of all the records and papers from the both parties, had arrived at a decision that BSNL is required to pay property tax and other local taxes w.e.f. 19.04.2011 only. The Honorable Court had also directed the respondent Municipality to adjust the already paid Property Tax prior to year 2011 with the future Property taxes which is to be paid by BSNL after the year 2011.

3] Continuously, the Chief General Manager had informed that the BSNL being a Government organization is subjected to different kind of audit scrutinises, particularly in case of financial matters. There is a well formulated system for the scrutiny of property taxes by BSNL before authorising payment. As per laid down procedure, Land & Building unit of BSNL is supposed to scrutinize the calculation of property tax sent by the Municipalities/ Corporations and an officer of the rank of Superintending Engineer is required to certify the correctness of the property tax calculation before making payment. These type of incidences are forcing to approach the Honorable Court against the order issued by the different Municipalities/ Corporations resulting into unnecessary avoidable litigations which is not beneficial for either Urban Local Bodies or Organization.

4] In view of the above, the Chief General Manager had requested to issue necessary directives to all the Municipalities and Corporations to raise their demand as per the direction of the Honorable High Court of Madras w.e.f. from 19.04.2011 after adjusting the amount already paid for the period before 19.04.2011 and sent the calculation sheet for the demand raised to the property tax and send reply to the correspondences made by the respective BSNL offices. This will help BSNL to extend uninterrupted services to its customer.

5] The Honourable Division bench of High Court, Madras in RA (MD) Nos: 77 to 84 of 2018 in WA (MD) Nos: 328 to 335 of 2018 and CMP (MD) No: 6801 to 6808 of 2018 dated: 21.12.2018 filed by BSNL, Nagercoil against the erstwhile Nagercoil Municipality had observed that the Government of India, Ministry of Communications, Department of Telecommunication Services, since on 01.10.2000, the new company will come into being and provide telecom services to the country and maintenance of the telecom network/ telecom factories were separated and carved out of the Department of Telecommunications. Over ten years, there were no further notification issued and the next presidential order was issued on 19.04.2011 in exercise of the powers conferred by the Article-145 of Companies Act, 1956. Thus, for all purposes, the subject asset viz telephone exchange and quarters building is deemed to be vested with BSNL with effect from 19.04.2011.

6] Accordingly, the Honourable High Court had issued the order and direction that the Respondent erstwhile Nagercoil Municipality to assess the Petitioner's BSNL property with effect from 19.04.2011. The payment so far made by the Petitioner shall be adjusted towards the tax dues and if there is anything more in cash than what is payable, the same may be adjusted towards future liability. The Honorable High Court had also directed that the Respondent erstwhile Nagercoil Municipality to re-inspect the quarters area of the building, re-measure the same in the presence of senior officers of BSNL and then, make proper assessment. In the event, if there is any discrepancy in the measurement, the benefit shall be given to the BSNL.

7] Hence, all the Executive Authorities are instructed to re-measure the buildings and quarters in presence of responsible BSNL authorities and re-assess the Property tax based on the receipt of details on the properties from BSNL authorities from 2011-12 first half year and prior to the 2011-12, the property tax assessment should be restricted to the applicable percentage of Service charges, as per the instruction issued in this office earlier letter 1<sup>st</sup> cited. The method of detailed Property tax calculation sheet authorised by the responsible officials of concerned Municipality/ Corporation should be sent to the concerned appropriate BSNL authorities with due acknowledgement. The discrepancies, if any arised, it should be solved amicably based on the mutual correspondence with the relevant copy of authorised documents.

8] On getting consent from the BSNL authorities, the Executive Authorities should raise/ modify the Demand and issue a Special Notices invoking the prevailing provisions of the Act, Rules and instructions. The provisions of General revision of Property tax implemented on 1993-94 & 1998-99 second Half year and 2008-09 & 2022-23 first Half year should also be carried out for revising the Service charges/ Property tax, as the case may be at appropriate methods without any lacunae. The excess payment of Service charges/ Property tax and other taxes, if any so far made by the BSNL authorities, it shall be adjusted with the future liability without any issues cropped up.

**Enclosure:-** As above.

Sd/-P.Ponniah  
Director of Municipal Administration

**Copy to:-**

- 1] All Regional Directors of Municipal Administration
- 2] The System Analyst of this office for follow up action.
- 3] The Chief General Manager, Tamil Nadu Circle, BSNL, Administrative Building, 7<sup>th</sup> Floor, No:16, Greams Road, Chennai – 600 006.

//Forwarded By Order//

*6/11/23*  
Deputy Director (MA) *2/2*



No.N-11025/25/94/UCD  
Government of India,  
Ministry of Urban Development.  
New Delhi, date 26<sup>th</sup> April 1994.

OFFICE MEMORANDUM

Sub: Instructions to Central Government and State Governments regarding levy of service charges on the Central Government properties by the local bodies.

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As you are aware that in terms of article 285 of the constitution, properties of the Union are exempted from the payment of all taxes imposed by a State or by any authority within a State.

Though the properties of the Union is exempted, however, such properties of the Union are liable to pay service charges for the services rendered by the Local bodies.

3. In this connection, Ministry of Finance had issued broad guidelines in 1954 which were later on amended in 1967. According to the instructions contained in Ministry of Finance's letter No.14(1)-P/52-1, dated: 10.05.1954, No.4(7)-P/65, dated: 29.03.1967, No.4(2)-PF1/74, dated: 28.05.1975 and No.42(1) PF1/79 dated: 26.08.1986, the service charges on the properties belonging to the central Government are calculated as under:

- i) In respect of isolated Central Government properties where all services are availed of by the Central Government in the same manner as in respect of private properties, the Central Government will pay service charges equivalent to 75% of the property tax realised from private individuals.
- ii) In the case of colonies which do not directly avail of civic services within the area and are self sufficient in all respects, the payment of service charges will be restricted to 33 1/3% of the normal rate of property tax applicable to private properties.
- iii) In respect of colonies where only partial use of the services is made, service charges will be paid as 50% of the normal property tax rate.
- iv) In respect of colonies where, all the services normally provided by the Municipal body to the residents of other areas within its limits are being availed of, the service charges will be paid as 75% of the Property Tax realised from private individuals.

4. It was, however, clarified in the Ministry of Finance letter dated: 26.09.1986 that wherever services rendered by the local bodies in respect of Central Government Properties are measured like metered water supply or electricity, etc. or where services like Drainage and scavenging etc. are charged for separately, they will be paid for accordingly. And where much specific services are part of consolidated House or Property tax, the same will be regulated according to the instructions at Sl.No. (i), (ii), (iii) & (iv) above.

5. It may be seen from the above that the Central Government is obligated to pay service charges to the Local Bodies.

- a) at 100% of charges paid by private individuals where specific charges exist for metered / measured service such as water and electricity; and  
at 75% of the Property Tax realised from private individuals in respect of isolated Central Government Properties where all Municipal Services are availed of by the Central Government and rates ranging from 33 1/3% to 75% of the Property tax realised from private individuals in respect of large and compact Central Government's colonies depending upon whether such colonies are fully or partially self-sufficient in the provision of local services.

6. The above instructions have been circulated to all the State Governments / UTs. for intimating the decision of the Government of India to Urban Local Bodies for follow up:

7. It has been brought to the notice of this Ministry that some of the Department of Central Government who owned vast properties under them are not paying service charges on regular basis to Urban Local Bodies. Since the service charges on Central Government properties payable to the Urban Local Bodies, forms a vital source of revenue for them, therefore it is requested that the Ministry of Agriculture, etc. may kindly reiterate upon the concerned authorities under their administrative control to follow the above instructions strictly in regard to the payment of service charges in respect of Union Properties on regular basis to Urban Local Bodies. Similarly, the Public Sector undertakings under their administrative control may also be advised to pay the property tax / other taxes in respect of properties owned by such Public Sector undertaking to Urban Local Bodies on regular basis.

(sd.).....  
DIRECTOR (LSG)

Copy of letter number 4(7)-P/65 dated the 29<sup>th</sup> March, 1967 from the Ministry of Finance Department of Co-ordination addressed to all concerned.

Sub: Payment of service charges to local bodies in respect of Central Government Properties

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I am directed to refer to this Ministry's letter no.14(1)-P/52-1 Dated the 10<sup>th</sup> May, 1954 and the Ministry of Works, Housing and Supply letter no. Cent 23(13)/59 dated the 4<sup>th</sup> August, 1961 on the subject cited above.

2. The procedure for arriving at the quantum of service charges payable to the local bodies has been further examined by the Government of India and it has now been decided that the service charges should be calculated in the following manner:-
  - I) In respect of isolated Central Government Properties where all services are availed of by the Central Government in the same manner as in respect of Private Properties, the Central Government will pay service charges equivalent to 75% of the property tax realised from private individuals.
  - II) In the case of large and compact colonies which are self-Sufficient with regard to services or where some of the services are being provided by the Central Government Department themselves, the service charges will be calculated in the following manner:-
    - a) In the case of colonies which do not directly avail of civic services within the area and are self-sufficient in all respects, the payment of service charges will be restricted to 33 1/3% of the normal rate of property tax applicable to private properties.
    - b) In respect of colonies where only a partial use of service is made, service charges will be paid as 50% of the normal property tax rate.
    - c) In respect of colonies where all the services normally provided by the municipal body to the residents of other areas within its limits are being availed of, service charges will be paid as 75% of the property tax rate realised from private individuals.
  - III) The net rateable value/annual value for the purpose of these instructions shall be 9% of the 'capital value' of the property tax concerned both in respect of residential and non-residential properties. The 'Capital Value' shall include the cost of acquiring or constructing the building including the cost of site, its preparation

- and any other. Capital expenditure incurred after acquisition or construction or when this is not known the present value of the building including the value of site, as borne on C.P.W.D. records or those of the Department concerned.
- IV) The existing arrangements arrived at between the Railway authorities or any Central Government Departments and local bodies in respect of property tax/service charges including the arrangements envisaged regarding Central Government properties in Calcutta and as regards the properties in Delhi will not be disturbed by this decision.
- 3) I am to request that the decision of the Government of India conveyed in this letter may kindly be intimated to the local authorities within your state.

sd/- (J.MURLI)

UNDER SECY TO THE GOVT OF INDIA.