

**PROCEEDINGS OF MANAGING DIRECTOR, BANGALORE METRO RAIL  
CORPORATION LIMITED, BANGALORE**

Sub: Valuation of Structures / Buildings proposed for partial / full  
acquisition for Bangalore Metro Rail Project

**Preamble:**

1. The Land / Structures to be acquired for Metro Rail Project has been notified under KIADB Act 1966 on 17-01-2006. The Land Acquisition Officer determines the compensation under the provisions of the KIAD Act 1966. In the meeting held on 04-09-2006 with the Chief Engineer, PWD, South Bangalore and other senior level PWD Engineers it was brought out that the valuation of structures are being prepared based on the plinth area method adopting the unit rates as notified by the Department of the Stamp and Registration vide Special Gazette Notification No. IGR / CVC / 3/2004-05 Bangalore Dated 07-10-2005. The Engineers have expressed that the structure valuation arrived at based on this rate does not reflect fair market price of the structures especially in urban areas. This may lead to litigations / objections in almost all the cases. The BMRCL is attempting to acquire the identified properties as quickly as possible thorough consent agreement. The KIAD Act provides, (under section 29 (2)) that the amount of compensation could be determined by agreement between the acquiring body and the persons to be compensated.
  
2. The BMRCL had requested the Government to constitute a committee of Engineers to review the existing procedure of valuation and to determine the appropriate methods of valuation. The Government vide order No. PWD / 195 / BMS / 2006 Bangalore Dated 07-11-2006 has constituted a committee with the following members to review and recommend the valuation of structures / buildings.

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| 1) Chief Engineer, C&B (South) Bangalore                 | : Chairman         |
| 2) Executive Director (Administration), BMRCL, Bangalore | : Member           |
| 3) Superintending Engineer, Building Circle, Bangalore   | : Member Secretary |
| 4) Superintending Engineer, BDA, Bangalore               | : Member           |
| 5) Superintending Engineer, BMP, Bangalore               | : Member           |

3. The Committee with the help of a consultant analyzed the prevailing methods of valuations and Market Rates, CPWD Rates, KPWD Rates and Rates notified by the Stamps and Registration Department. The committee after extensive deliberations and field visits has recommended following:
  - a) Plinth area rates method to be adopted for valuation of properties proposed to be acquired by BMRCL.
  - b) Plinth area rates and guidelines issued by CBDT (Central Board of Direct Taxes) may be adopted to determine the replacement cost of buildings proposed to be acquired.
  - c) The BMRCL will decide whether to consider deduction of depreciation cost in valuation of structure / building based on the life of structure / building.
4. The recommendations of the committee which were placed in the Board of BMRCL have been accepted.
5. In the above circumstances the BMRCL has now decided to obtain the valuation of the buildings / structures through valuers registered with CBDT and short listed by BMRCL. The valuation will be done adopting the procedures (a) and (b) above recommended by the committee. Hence the following order :

**ORDER NO. BMRCL / VALN / BLDG / 2007-08/<sup>509</sup>Bangalore Dated 08-06-2007**

Approval is here by accorded to determine compensation of structures by adopting the valuation of buildings / structures done by valuers registered with CBDT and short listed by BMRCL. The valuation would be carried out adopting the following principles :

- 1) The plinth area rates and the guidelines issued by the CBDT will have to be followed in determination of replacement cost of the building.
- 2) The replacement cost arrived at based on the plinth area rates as defined in the CBDT guidelines is for a standard building. Any special items or superior specification of the building within the plinth area and out

side the plinth area will be added as an extra item cost in valuation estimates.

- 3) In case of partial acquisition of the building, the cost involved in demolition of extra portion of the building and rehabilitation of the same for safety reasons as recommended by the Consultant procured for structure / building conditions study will be determined separately and added to the valuation estimates.
- 4) Restoration of any utility services, water, sewer, power and telephone lines will be assessed separately and added in valuation estimates.
- 5) The replacement cost arrived at in (1), (2) would be offered as value without depreciation in case the property loser opts under section 28 (2). In case of normal award, the normal procedure of valuation would be followed.
- 6) The replacement cost would be derived as on date of preliminary notification.
- 7) The normal interest as available under section 23(1-A) of Land Acquisition Act 1894 would be offered.
- 8) Solatium at 30 % (thirty percent) as in section 23 (2) of Land Acquisition Act 1894 would be offered in the case of consent award.

  
Managing Director  
BMRCL, Bangalore