Chapter III

(PRESENT VALUATION TREND IN GMDA/GMC AREA)

3.1: Present Valuation Trend in GMDA/GMC Area.: The Prevailing Guide Value List (GVL or GGV) was formulated in 2003 by the then Commissioner & Secretary to the Government of Assam, Revenue Department, Dispur with ref No RPG. 3/2003/13 Dated Dispur, the 5th Dec/ 2003 [43] "Matters relating to Valuation of Land under Guwahati town containing "In inviting a reference to the subject quoted above, I am directed to say despite the continually rising value of lands in Greater Guwahati Town area, Government have not getting any additional amount as revenue either from the premium for settlement of land or as stamp duty or registration fee during transfer of land mainly due to non enhancement of land by the Government. Due to this, Government has already lost a considerable amount of revenue while the state is reeling under financial crises. In view of this situation, Government have carefully examined the matter relating to enhancement of value of town land under Greater Guwahati and decided to enhance the value as shown below. This value will come into effect immediately and will remain in force until further order and shall have to be quoted as value in consideration during registration of deeds etc. and value of land for fixation of premium on settlement of land." Accordingly the Notice has declared the schedule of Revenue villages in different categories and allow the specific value known as schedule Value of Govt. Guide Value. The list of schedule value is as under Table 3.1."
<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>ZONE</th>
<th>VILLAGES</th>
<th>MINIMUM Value of per Katha (Revised Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Special Category (I)</td>
<td>1 Km. Radius of FANCY BAZAR, PANBAZAR, MACHKHOWA, PALTANBAZAR.</td>
<td>Rs. 10.00 Lacs</td>
</tr>
<tr>
<td>2</td>
<td>Special Category (II)</td>
<td>1 Km. Radius of ULUBARI, GANESHGURI, CHANDMARI, SILPUKHURI, UZANBAZAR, MALIGAON.</td>
<td>Rs. 5.00 Lacs</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
<td>JAPARIGOOG, RUKMINIGAON, KHANAPARA, DARANDHA, DISPUR NC, DISPUR, MAIDAM, HENGRABARI, HATIGAON, HENGRABARIGAON, BAMUNIMAIDAM, NOONMATI ULUBARI, KAMAKHYA, MALIGAON, SARUMATARIA, DURGASAROVAR, BHARALUMUKHI, GORPANDU, JATIYA.</td>
<td>Rs. 2.00 Lacs</td>
</tr>
<tr>
<td>4</td>
<td>B</td>
<td>BIRKUCHI, NO-LAND, 2 MADGHORIA, BORMATARIA, KAHIJPARAGAON, DAKHINGAON, SAOKUCHI, RAMSAHILL GRANT, CLEARANCE GRANT, CHUNSALI GRANT, GOTANAGAR.</td>
<td>Rs. 1.50 Lacs</td>
</tr>
<tr>
<td>5</td>
<td>C</td>
<td>BAGHARBARI, BHOGARGAON, GRANT, BAGHORBORI NC, KALITAKUCHI, ODALBAKRA, BOKHRAPARA, NATABAMA, BETKUCHI, BASISTHA NC, BASISTHA GRANT-2, HENGRABARI NC, NO.1, NO.2 HENGRABARI NC, DURGASAROVAR NC, PACHIM BORAGAON, PUB-BORAGAON, GOTANAGAR NC</td>
<td>Rs. 1.30 Lacs</td>
</tr>
<tr>
<td>6</td>
<td>D</td>
<td>NOONMATI GARDEN, SATGAON, NARAKASUR, NC, JUTIKUCHI, KHANAPARA NC, BASISTHA GRANT.</td>
<td>Rs. 1.00 Lacs</td>
</tr>
<tr>
<td>7</td>
<td>E</td>
<td>DEHANGARIGAON, KACHARIGAON, TETELIA, RAMSAHILL, SADILAPUR, UTTAR, DAKHIN JALUKBARI.</td>
<td>Rs. 0.80 Lacs</td>
</tr>
</tbody>
</table>
3.1.1: Validity of the order:

The said order clearly stated that the Values as detailed in table 3.1 is still continued. Since there is no any order issued from authority in this matter the department had been applying this schedule for the assessment of land value since 2003 till date.

3.1.2: Field of Application:

As per the order of the Govt. of Assam, the quoted values are applicable only for collection of **revenue either from the premium for settlement of land or as stamp duty or registration fee during transfer of land**. Further the quoted values are applicable only in the area of Guwahati metropolitan Area [44].

3.1.3: Relationship of GGV (or GVL) with Present Market Value of Land:

Comparing the **Govt. Guide Value** of a particular plot with the prevailing market value or **present market value**, these seems a big difference in estimating the land value. Even there is no definite rule or proportion or principle of increase or decrease the differences of the two values of any plot within the area of GMDA. This may be due to two main reasons: (1) The Govt. Guide value exclusively fixed for Govt. Revenue purposes and (2): It is the Zonal Value. Since zonal value is a common standard value of a particular zone, it is natural that there are no cost effecting parameters considered for a particular plot of land. In addition, the purpose of assessment of land value is different. Hence, there is no such relationship in between the Govt. Guide. Value and Present Market Value of lands in GMDA area.
3.1.4: Merits of Guide Value System:

Based upon the application of Guide Value List, the following points are considered as merits of the system:

The concern officer/s must follow the guide value list.

1. The officer has no scope to inspect the land plot to justify the value written by him.

2. The respective officer need not meet the seller or purchaser of land plot while assessing the land value.

3. The “Guide Value” manifests that neither the Seller nor the Purchaser can independently fix or determine the land value.

3.1.5: Demerits of Guide Value System:

Analyzing & Scrutinizing the Guide Value List, the following points are extracted as the demerits of the GV List system:

1. There is no such provision for Assessee to consider the present demand of land plot while assessing the value. The cost leading factors are completely ignored in this consideration.

2. The value listed in Guide Value list is not reflected the actual/proportional status and demand of a particular plot site. It reflects the minimum value of the respective Revenue village.

3. The seller or buyer may victimize in the listed value if the actual land value is less than the Guide Value.

4. There is no proportional Value increase in a particular area in a particular period of time. The circular for Guide Value is issued without following a definite period and ignoring the affect of Cost Index or Rate of Inflation.
5. The Govt. loses the revenue since the Guide Line Land Value reflects the minimum demand only.

6. There is no scope of competent authority for personal visit the land plot before putting the quoted Guide Line Value in registration permission.

In land sale execution event, how a non-Standard Valuation process affects all three parties in different ways is represented in fig 3.1

![Diagram of Non Systematic Value of Land Plot]

Fig 3.1 : Existing non standard valuation process.

3.1.6: Pitfalls in the present existing system:

The major pitfalls found in the present existing land valuation system are:

(In view of preparation of Guide Value List):

a. The list of Values is prepared only for revenue purposes including transfer of property (Deed Registration fees), fixation of premium on settlement of land. The promulgation made by the Govt. for the valuation of land &
transfer of property is stated as “This value will come into effect immediately and will remain in force until further order and shall have to be quoted as value in consideration during registration of deeds etc. and value of land for fixation of premium on settlement of land”.

b. As per list the statement “the list is valid until further order” is a vague one in practical sense. There is no indication about the review period of the list. Hence the affect of inflation or deflation is not considered after subsequent years.

c. The values are fixed on the basis of village, subsequently, 1 km radius also disclosed without mentioning the centre as well as boundaries. No map enclosed for demarcation the zones.

d. The Banker /Financier may wrongly considered the PMV of Land which is written in recent sale deed.

e. No escalation/cost Index is considered in view of updated guide value.

f. No expert view is taken in preparation of Guide value list.

3.2: Present Valuation Trend for Market Value in GMDA/GMC area:

Scrutinizing the Land related Acts of GMC and GMDA, the Guwahati Municipal Corporation Act, 1971 and Guwahati Metro Development Authority Act – 1985, it is confirmed that both the acts are silent about the present market Value of land. There is also no any definite rule or guide to assess the present market value of landed property for the Banks and other financial Institutions. Only the Banks and other financial Institutions appoint professional Valuers [45] for assess the present market value for their collateral security purposes. The Valuers physically verify the concern spot and make a local enquiry for prevailing rate of land plots and on the basis of this type of enquiry, they
prepared the valuation report. In this trend the process of enquiry, motive of Valuer and philosophy of local witness and influence of the owner and banker leads the fixation of present market value of landed property. Since those factors are not definite and have not followed any principle, automatically the value assessed by different Valuers is not same. Even, some times it beyond 200% variation. Considering this ethical problem, some banks take two valuers’ report for a same plot in same time for same purpose and accept the lowest one for their safety security. It is also a sensitive matter that there are no any formal training in Institutional level or Financial sector to train-up the professional Valuers to assess the market value of land. Hence, there is no scope to justify the present market value of land assessed by Valuer in financial sector. A graphical representation is given in fig 3.2.

3.2.1 Format of Wealth tax:

The Central Board of Direct Taxes (CBDT) for the Income Tax department and Wealth Tax department formed a standard format (FORMAT - 01) [46] which is used only for investment cost of land and building cost. The form is exclusively used by the Registered Valuer (Govt Approved Value) for taxation purpose and has not reflected the present market value. The format is available on the Wealth Tax Act 1957, Sec 34AB.

3.2.2 Bank Format:

The most of the banks have no particular or specific valuation format to prepare the valuation report. However some Nationalized Banks like Central Bank, Indian Overseas Bank, Punjab national Bank etc. prepared their Valuation Report format in their own style and panel Valuer [47] has to write their Valuation Report.
in prescribe format submitted by the banks. The private Banks or Commercial Bank operating in present economic sectors have no any definite valuation format. In this case the Panel Valuer prepared their valuation report in his/her own style as per requirement of such financial Institution. In case of Housing loan, a few banks have asked only for present progress of construction of building in the form of Work-In-Progress (WIP) instead of present market value of the property or land.

3.2.3 Other non Financial Organization:

Like Indian Oil Corporation Ltd, Assam Industrial Development Corporation Ltd, Director of Industries & Commerce, Assam State Industrial Development Corporation, Railways, Airport authority, various Multi National Companies, Tea board, Undertakings, State Government and its departments, Subsidiaries etc have no any specified format and the Appointed Valuer has to write their Valuation report in their own style. The Valuer is not to bound to follow the CBDT format or Bank’s format for the assessment the property values.

![Hierarchy of Present Valuation Trend for market value in GMDA/GMC area.](image)

Fig 3.2 : Hierarchy of Present Valuation Trend for market value in GMDA/GMC area.
3.3: Study Area:

3.3.1: Geographical Location of City Guwahati:

The City Guwahati is situated on the bank of river Brahmaputra with its cardinal points as 20°10’ north latitude and 92°49’ east longitude. It is located at central area of Kamrup districts surrounded by:

North : Kamrup (Rural) and Nalbari districts.
South : Maghalaya State.
East : Darrang & Morigaon district.
West : Kamrup (Rural) & Goalpara district.

The topographic nature of the city is undulation with varying altitudes of 49.50 m to 55.5 m above the Man Sea Level (MSL). The river Brahmaputra is flowing from east side towards west side by the northern part of the city. A summary map of GMDA /GMC area is given in Fig 3.3

3.3.2: Guwahati Metropolitan Area (GMA):

According to the master plan [48], in 2001, the area covered by Guwahati Municipal Corporation, North Guwahati town Committee, Amingaon census Town and 21 revenue villages (Abhoypur, Rudreswar, Namati-Jalah, Gauripur, Silamohekhaiti, Tilingaon, Shila, Ghorajan, Mikirparh, kaikuch, Mirapur, Jugipara, Borjhar, Garal gaon, Ajara gaon, Dharapur, Jansimula and Jansimalu (NC), Kalitakuchi & Kalitakuchi (NC), Gharghuli, Bonda, Bondagaon and Bonda Grant (I&II), Birkuchi).

The total existing area Covered by GMA is approximate 262.00 Sqkm [49].

Guwahati Metropolitan Area (Proposed in 2025):
As per declaration of Master Plan for Guwahati Metropolitan Area, 2025, made by Guwahati Metropolitan Development Authority, Guwahati, the proposed extended area is 66 Sqkm consisting of 3 new proposed towns and marginal areas [50].

3.3.3: Population:
As per Assessment based on previous census, in 2001, the population of Guwahati Municipal Corporation area was 8,09,895 [51] with a decadal growth of 37.85%. And the estimated population of GMDA area shall be 19.10 Lakh to 22.50 Lakh including floating population in 2025.

3.3.4: Trade & Commerce:
As per the Master Plan for Metropolitan Area – 2025, the Major Work Areas for Trade and Commerce of Guwahati City is divided into following heads:

- Wholesale Fancy Bazaar Area
- Wholesale cum Retail in around Fancy Bazaar, Machkhowa, Paltan Bazaar,
- Retail Shops Athgaon, Pan Bazar, Ulubari, Silpukhuri, Chandmari, Noonmati, Ganeshguri, Beltola, Maligaon, and Kalapahar.
- Service Shops Distributed throughout the City.

The Guwahati Municipal Corporation area can be delivered into different Sections based upon the "Economic demand" point of view, such as:

1) Saturated Commercial area.
2) Semi Commercial compound area
3) Residential compound area,
4) Industrial compound area.
5) Recent developing area.
Fig 3.3 : Map of GMDA /GMC area. (Not in Scale)