

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5268
ANSWERED ON:28.08.2001
PRICES OF UNITS OF COMMERCIAL COMPLEXES
K. FRANCIS GEORGE

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the basic difference between `No ProfitNo Loss`, `Economic Rate` and `Reserved price` in so far as their meaning in relation to determining the prices of units of Commercial complexes is concerned; and

(b) the formula and methodology to work out and calculate the three types of prices?

Answer

MINISTER OF STATE FOR URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI BANDARU DATTATREYA)

(a): The Delhi Development Authority, which is the major player in the construction and disposal of commercial complexes in Delhi, has informed that there is no concept of `No ProfitNo Loss` and `Economic Rate` in the rules/regulations governing the disposal of commercial complexes by DDA in Delhi. However, the `Reserve Price` is the price below which the DDA would not accept the bid in an auction or a tender.

(b): The `Reserve Price` for auction of commercial built up properties in Convenience Shopping Centres (CSC) and Local Shopping Centres (LSC) is fixed by reducing the average auction rate of the commercial built up properties of CSC and LSC in the immediate preceding year by 10% subject to the condition that the reserve price so fixed is not less than the cost of acquisition plus cost of development.