

Ref. No.: MCHI/PRES/19-20/577

July 16, 2020

To
Dr P Anbalagan.
Chief Executive Officer,
MIDC, Udyog Sarathi,
Andheri East, Mumbai.

Subject: MIDC Policy to Grant Access Permission for Developments deriving Access from Roads Constructed and maintained by MIDC.

Ref:- 1) MIDC circular dated 11/08/2016.
2) Ministry Of Road Transport & Highways letter dated 12/04/2013
3) MCGM circular No. CHE/1216/ACQ-C dated 17/01/2001.

Respected Sir,

Maharashtra is one of the largest states in India, both in terms of area and population. The state continues its predominant position as an industrial and services center of the country. The state has been a preferred investment destination for both domestic and foreign companies and presently in the aftermath of Covid-19 effects, lots of new industries will divert their manufacturing units out of China to other locations. CREDAI-MCHI is in a strong follower of the continuous Government's efforts in creating a hassle-free environment during the entire project cycle.

However, we would like to highlight the difficulties faced by various stakeholders in getting access permission (particularly charges to be paid for the permission) from MIDC for their projects. This NOC is granted by MIDC for projects deriving access from roads constructed and maintained by MIDC.

The regulation / calculation followed by MIDC for deriving access fees is mentioned below:

- As per the circular dated 11/08/2016, MIDC is not charging fees from the residential users but will charge for other users. These charges will be worked out on the basis of capital cost incurred by MIDC for construction of road excluding any grant given by the Government. This works out to Rs 40 / Sq.m.
- In addition to above, Service charges are also charged on the total plot area (for any users). The service charge are recovered for 15 years as one time charges. Currently Rs 7.50 sq.m. per year is levied in form of service charges. Accordingly, the one-time charges for 15 years works out to be Rs 112.50 / sq.m.

Basis the above, assuming if a developer is developing a plot admeasuring 100 hectares' proposal, the fees for access permission is calculated by MIDC is as below:

Eg. Access permission charges (for any user) assuming 100 Hectare plot	
Access charges (Rs 40 / sq.mtr)	=10,00,000 x 40 = 4,00,00,000/- (A)
Service Charges (Rs 112.50 / sq.mtr)	= 10,00,000 x 112.50 =11,25,00,000/- (B)
Total	=15,25,00,000/- (A + B)

The above charges are highly exorbitant and unreasonable also on the part of MIDC and makes the development unviable for the developer.

Further, comparison of access permission charges levied by other development authorities i.e. MCGM / MMRDA in MMR is as follows:

Development Authority	Access Charges assuming 100 hectare development	Remarks
NHAI	Rs 1,50,000/- to Rs 6,00,000/-	Lumsum charges levied: For Residential Properties - Nil. Other Users: Rural areas Rs 1,50,000/- Urban areas Rs 1,50,000/- to Rs 6,00,000/-
MCGM	Rs 20,000/- to Rs 50,000/-	Calculations as per MCGM circular No. CHE/1216/ACQ-C dated 17/01/2001. Area of Access X R.R Rate X 3.75% X 15% = Annual Fees. (MCGM One times charges = Annual Fees x 7.5)
MMRDA	Same as MCGM	Same as MCGM

It would be impractical for MIDC to charge unjust and unreasonable fees for access permission based on the total plot areas as per MIDC Policy as compared to other authorities which charge on the actual area covered / used for the access (MCGM, Highway Authority & MMRDA). In addition to access fees, MIDC is already charging development charges at the time of approval of plans for development of infrastructure.

We request your good-self to please look into the matter, and kindly instruct the concerned department to implement a fair policy in lines with other government authorities.

Thanking you
Yours Sincerely,

For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary