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I.A.S. (Retd.)

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Prakash Baviskar

o/c

Ref. No. MCHI/PRES/17-18/087



January 03, 2018

To,  
**Shri Deepak Kapoor (I.A.S.)**  
Chief Executive Officer  
Slum Rehabilitation Authority  
Bandra (E),  
Mumbai - 400051.

**Sub: Open House meeting of Hon. CEO (SRA) for smooth Implementation of S.R. Scheme.**

Dear Sir,

With reference to the discussions in 3<sup>rd</sup> Open House dated 28<sup>th</sup> December 2017 meeting we request relief on following points for smooth implementation of S.R Schemes.

1. LOI/IOA/C.C. -

For speedy implementation of S.R. Schemes, once Scheme parameters and the LOI is principally approved by Hon'ble CEO, LOI along with I.O.A and C.C. for Rehab Buildings should be issued. Existing circular no 4, mandating simultaneous issue of LOI, IOA and CC should be re-implemented. The work of rehab building shall be started by the developer at their own risk and with a condition that relevant compliances shall be submitted before further CC. We request that suitable administrative orders be issued immediately by way of a circular. This circular has the potential of speeding even the smallest of slum scheme by atleast six months.

2. Deferment of Fungible F.S.I. premium -

The property market is passing through tough phase. There are severe financial constraints which are delaying the slum schemes. Deferment facility of all the payments payable to SRA has been granted by way of circular no 181. However, deferment facility for payment to be paid to MCGM for Fungible Compensatory BUA (FC BUA) is not available for S.R. Schemes. The payment towards thus count is considerable. For non-slum projects being approved by MCGM, deferment facility for payments is being granted by MCGM by way of a circular number CHE/ DP/ 9749/ Gen dated 20/10/2017.(Copy attached) We request that similar deferred payment facility for FC BUA premium may also be allowed for SR Schemes. Since the issue involves MCGM, we request you to kindly formulate policy and modalities in consultations with MCGM.

3. SPPL and S.B.I-

Sir, Central Govt. as well as the State Govt. have an ambition of “**Housing For All by 2022**”, with a view to achieve the same, SPPL and S.B.I have entered into a tie up to fund SRA schemes, at subsidized rates. In spite of many developers applying for the aforesaid facility, not a single disbursement has been given to any Developer under this scheme. We request you to kindly pursue the matter with SPPL suitably for expeditious approval and disbursements which would ensure expeditious implementation of S.R. Schemes.

4. Parking

Parking spaces for a development under DCR 33(10) are allowed as per DCR 36 Table 15 section 1(A)(with concessions). This mandates concessional parking spaces for residential units under S.R. Schemes. Sale component for SR Scheme is at par with any other non-slum scheme. If concessional parking spaces are allowed for the sale component, it shall lead to off street parking leading to traffic congestion on the roads. Similar concessional parking spaces are also mandated for redevelopments under DCR 33(5) & 33(7) being approved by MCGM.

It is suggested that parking spaces without concessions i.e. as per section 1(A) be allowed, if requested by the Architect/ L.S., for sale component of S.R. Scheme, as a concession under sec 6.24 of Appendix IV to DCR 33(10). Similar concessions are being allowed for redevelopment under DCR 33(5) & 33(7) in M.C.G.M. at Municipal Commissioner’s level.

5. Assessment Tax

The amended provision, for levy of property/assessment tax on the basis of capital value, results in exorbitant, erroneous computation of taxes imposing heavy burden on S.R. Schemes, making the schemes financially unfeasible/unviable. In S.R. Schemes there should be no taxation or minimal/concessional taxation. The amount of property/assessment tax being levied and demanded by the MCGM from Developers during the under construction phase of both Rehab and Sale buildings is exponentially higher than the regular property tax levied before & after completion of Rehab buildings, which is absurd. It is pertinent to note that when the land was encroached upon by slums/huts, the same was a cost to MCGM and not a single rupee of revenue was being earned from all such slum encroached lands.

The Developer has been cast with an obligation to provide free of cost permanent alternate accommodation to all eligible slum dwellers/PAP’s as well as any/all other reservations and hence the Rehabilitation/Reservation component should be completely exempted from payment of property/assessment tax.

S.R. Schemes cannot be placed on par with vacant lands and construction thereon. Property/assessment taxes payable on the Free Sale Component ought to be charged by considering the Ready Reckoner rate in accordance with the Urban Development Department, Government of Maharashtra Order bearing no. TPB 4305/897/CR145/08/UD/11 dtd: 16th April 2008 of 25% (Section 1.11 of Appendix - IV of DCR 33(10)). Further property/assessment taxes for S.R. Scheme should be charged from the date of vacation of slum structures and not IOA as at many instances a long time between the two as vacating the slums is a time consuming and lengthy process.

After the Rehabilitation component is constructed and O.C. thereof is granted, the property/assessment tax is at a concessional rate in accordance with the Urban Development department notification under No. BMC-1996/6183/CR-50/97/UD-21 dated: 7/11/1997 as under:

- a. 1-10 years 20% of the rate of property/assessment tax;
- b. 11-15 years 50% of the property/assessment tax;
- c. 15-20 years onwards 80% property/assessment tax.

In the interim period when the Developer is developing the S.R. Scheme, the MCGM is charging property/assessment tax on the Capital value by considering the Full FSI potential of the plot of land i.e. FSI of 3. MCGM is fully aware that out of FSI of 3, FSI of 1.5 or more is being constructed and handed over Free of Cost either to eligible slum dwellers/ PAPs.

The Developer is being penalised for taking on the burden of clearing slums. The Rehabilitation component ought not to be charged any property/assessment tax as the same is being constructed and handed over free of costs either to eligible slum dwellers or SRA or MCGM. We hereby humbly request you to persuade the appropriate Government authority on the point below:

- a. No property/assessment tax on the Rehabilitation/Reservation component;
- b. Land rate to be taken into consideration while arriving at the capitalised value for property/assessment tax of the Sale component should be in accordance with Section 1.11 of Appendix - IV of DCR 33(10) Ready Reckoner rate i.e. 25%;
- c. Property/assessment taxes should be chargeable from the date of issue of C.C. as after issue of IOA the process of vacating slum/hutment dwellers commences which in instances may take several months/years;

6. Delay in current Eviction Proceedings u/s. 33&38 of Slum Act -

Currently proceedings Eviction proceedings u/s. 33&38 of Slum Act are being implemented by the Competent Authority viz. Deputy Collector (E/R), Assistant Municipal Commissioners of the respective ward offices or MHADA. Physical Eviction of non-co-operating slum dwellers entails the process of issuance of notices, hearings, appeals to hearings as well as actual physical eviction. The entire process takes minimum 6 months and can stretch up to over 2 years. Eviction of non-co-operating slum dwellers is one of the major reasons for implementation and execution of S.R. Schemes.

To overcome the substantial delay we request the following steps be taken:

- a. Entire Eviction proceedings u/s. 33&38 of Slum Act should be implemented by the SRA head-office in Bandra;
- b. Time-frame between commencement of Eviction proceedings u/s. 33&38 of Slum Act and actual/physical demolitions should be fixed and strictly adhered to;
- c. Notice u/s. 33 of Slum Act shall include and initiate proceedings u/s. 33A of Slum Act. This would ensure a level playing field for the Developer. There shall be a fear in the mind of the non-co-operating slum dwellers that they may lose eligibility and claim in the S.R. scheme on demolition of respective structure. At present the slum dwellers are delaying the demolitions and taking the entire scheme for a ransom. The Developer is making substantial losses in terms of time and money on account of a handful of non-co-operating slum dwellers,
- d. Stream line of the physical eviction process will increase success of S.R. Scheme.

Kindly take up our request to appropriate authorities.

Thanking you,

Yours faithfully,  
For CREDAI-MCHI



**Mayur Shah**  
President



**Domnic Romell**  
Hon. Secretary



**S. S. Hussain, I.A.S. (Retd.)**  
Chief Executive Officer