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Ref. No. MCHI/PRES/18-19/383

To,  
**Shri Praveen Pardeshi (I.A.S.)**  
Municipal Commissioner,  
Municipal Corporation of Greater Mumbai  
Mumbai - 400 001



July 25, 2019

Sub : MCGM Policy for acquisition of Temporary Transit Camp in Mumbai City.

Respected Sir,

MCGM is undertaking several projects of vital public importance across Mumbai city which would entail displacement of people in case the projects affect the land occupied by such occupants. MCGM has no transit camps/permanent alternate accommodation for such project affected people. It is therefore felt necessary that in every ward of Mumbai City the MCGM has a buffer stock of atleast 2000 tenements of 300 sq.ft. each which can be used both for providing permanent alternate accommodation as also transit accommodation for project affected people. There are 24 number of wards in Mumbai City and as such 48,000 number of permanent alternate accommodation/transit accommodation would be required across the city. With the above background it is necessary to formulate a policy for acquiring/building alternate accommodation/transit tenements in Mumbai City.

**A] Alternative I : 3.11 Scheme**

- a. The DCPR 33(10) 3.11 inter alia provides for the following :
- "Notwithstanding anything contained in this regulation, rehabilitation project of a slum located on land belonging to public authority and needed for a vital public purpose and where eligible slum dwellers which cannot be accommodated in the in-situ SRS of land under non-buildable reservations, is taken up on an unencumbered plot, TDR as per regulation 32 table 12(A) for the area of the land spared for this purpose shall be sanctioned for to the owner of the said unencumbered plot and the TDR in due lieu of cost of construction of BUA as per sub regulation 4.2 of regulation 32(A) shall be permissible. For the purpose of this Regulation, the BUA shall be as per clause 3.2 of this Regulation. No sale component shall be permissible. Provided that the State Govt. or Public authority or a Govt. Company as defined in Sec. 617 of the Companies Act 1956 and owned and controlled by the State Govt. (herein after referred as the Agency) may undertake Slum Rehabilitation Project on its own land and be eligible for the benefits under this Regulation subject to following conditions:*
- 1) The Rehabilitation Project is approved by the SRA.
  - 2) The tenements so constructed in execution of the Project are offered to slum dwellers located on land belonging to Govt. or Public Authority and needed for vital public purpose and within 270 days from the date of issue of LOI the Agency shall identify the slum dwellers.
  - 3) If the Agency fails to identify the slum dwellers needed to be shifted for a vital public purpose, as above, then the tenements so constructed shall be offered;
    - a) to the slum dwellers located on land belonging to Government or Public Authority within a distance of 2 km. from the land on which the Project is undertaken, or
    - b) to the slum dwellers located anywhere in Greater Mumbai on lands belonging to Govt. or Public Authority, or
  - 4) Further provided that in all above cases the relocation of slum dwellers in any case will be undertaken not with reference to individuals but reference to assembly of slum

*dwellers for the purpose of releasing the plot of land wholly from slums and not only the patches of land.*

*Provided that notwithstanding anything mentioned above, project affected persons due to any vital Public Projects undertaken by MMRDA including PAP's under Mumbai Urban Transport Project (MUTP) being resettled as per the provisions contained in Government Resolution, Housing and Special Assistance Department, by order no. 700/CR 31/slum-2 dated 12/12/2000 and certified by the Project Director, MUTP will also be eligible for redevelopment scheme under this Regulation, as amended from time to time.*

*Provided further that in case of the ongoing scheme as per this provision and where the work as per tenements of size 20.90 sq. m or less for which full commencement certificate/occupation permission is issued/work completed and where the TDR in lieu of this rehab area is already availed; in such cases at the option of owner/developer and with consent of occupants and with the approval of CEO(SRA), developer may convert these tenements as per this regulation, and then the TDR for difference of carpet area may be made permissible. (while granting the additional TDR as per this regulation the land TDR shall not be permissible.)*

*Provided further that, for rehabilitation of Adivasi/ encroacher in Sanjay Gandhi National Park and Adivasi/ encroacher in AAREY Colony Govt. Land, if undertaken on Govt. land by the developer, shall be eligible for TDR in lieu of construction of rehabilitation and resettlement tenements through a competitive Tender process by the Govt. or the implementing Govt. agency.*

*Provided further that, these provisions are also applicable to lands belonging to or leased out to or leased out by a Public Authority, a Statutory Authority, a Public Sector undertaking or any Department of Government of India and a Joint Venture with any of them, subject to payment of premium for infrastructure development as applicable under clause 9.2 of this Regulation."*

As per the above scheme, a developer undertaking the scheme for building such tenements is entitled to TDR as per regulation 30(2) Table 12(a) for the area of land spared for this purpose and the TDR in lieu of cost of construction of built up area as per sub regulation 4.2 of Regulation 32(a). For the purpose of this regulation, the built up area is to be considered as per clause 3.2 of regulation 33(10).

- b. The Table 12(a) provides for grant of 2 times land TDR for land conveyed to the public authority for such schemes.
- c. With regards to construction TDR, under Regulation 32(a), the developer constructing the tenements will be entitled to Construction TDR as per the above formula which would be increased by 1.35 times in respect of the slum redevelopment scheme under clause 3.11 of Regulation 33(10). As per the above formula, the construction TDR generated for a 3.11 scheme will be as under :

*4.2 Transferable Development Rights (TDR) against Construction of Amenity-  
When an owner or lessee with prior approval of Municipal Commissioner, develops or constructs the amenity on the plot to be surrendered, at his own cost subject to such stipulations as may be prescribed and to the satisfaction of the Municipal Commissioner and hands over the said developed/constructed amenity along with amenity plot free of cost to the Municipal Commissioner then in addition to land TDR*

he may be granted a Transferable Development Rights (TDR ) against construction of such amenity as per the following formula:-

$$\text{Construction Amenity TDR in sq.m.} = A/B*1.50*BUA$$

Where,

A = cost of construction of amenity in rupees as per the rates of construction mentioned in Annual Statement of Rates (ASR) prepared by the Inspector General of Registration for the year in which construction of amenity is commenced.

B = land rate per sq.m. as per the Annual Statement of Rates (ASR) prepared by the Inspector General of Registration for the year in which construction of amenity is commenced.

BUA = Built-up area of constructed/developed amenity

Provided that in case Slum Redevelopment Scheme under clause 3.11 of Regulation 33(10) the Construction Amenity TDR shall be increased by 1.35 times the TDR generated as per above formula.

As per the current rate of construction and taking an example in 'D' ward with land Rate of Rs.1,16,800/- per sq.mt the construction TDR generated from a 3.11 scheme is as under :-

<b>Example</b>			
1	Plot Area under existing scheme of 3.11	10000.00	SqM
2	Maximum Permissible FSI	4.00	
3	Maximum Permissible Built-up area	40000.00	SqM
4	Area of W/C, B/W, S/O and passages	10000.00	SqM
5	Rehab Component (3+4)	50000.00	SqM
TDR Generation			
A	Rate of Construction as per ASR	27500	Rs/SqM
B	Land rate as per Ready reckoner 2017-18	116800	Rs/SqM
1	Land TDR (2.00 x Land Area)	20000.00	SqM
2	Construction TDR (A/B x 1.50 x Const Area)	17658.39	SqM
3	In case Slum Redevelopment Scheme under clause 3.11 of Regulation 33(10) the Construction Amenity TDR shall be increased by 1.35 times the TDR generated	23838.83	SqM

If the TDR is sold at 40% of face value the economics to the developer will be as under

- Revenue from sale of 1<sup>st</sup> Construction TDR (23838.83 x 116800) x 40% = 111.38 Cr
- Cost of Construction (50,000 SqM x 27500/-) = 137.50 Cr
- Gross Loss = (26.12) Cr

As can be seen from the above, the construction TDR generated as per the Accommodation reservation formula, applied to a 3.11 scheme makes the

undertaking of new 3.11 scheme unviable and as such no 3.11 scheme may come up.

- d. As submitted above that the 3.11 scheme may not be viable as the construction TDR generated in the project does not even cover the cost of construction. It has also to be seen in the background of the fact that TDR certificates today are trading at between 35-40% of the face value and as such generation of TDR by surrendering one's land and construction there on, in lieu of land and construction TDR is unviable in most locations. In view of the above, one of the schemes that the MCGM can consider is to invite tenders from land owners willing to provide tenements under the 3.11 scheme subject to additional cash component that the MCGM would be willing to offer in addition to permissible TDR.

**B] Alternative II - Purchase of tenements from Private Developers by issuing Credit Note/ payment of cash**

The Table 12 in combination with DCPR 33 and its sub regulation today provides for almost 4.00 FSI in the Island City and in the suburbs (if under taken in combination with DCPR 33(18) (PPL)) There may be several schemes in the city where the project is large enough where it would not be feasible for the developer to convey his land to the MCGM but at the same time it would be feasible for the developer to build an independent building for permanent alternate accommodation/transit accommodation that could be sold to the MCGM. It is submitted that as an alternative to 3.11 scheme the MCGM may invite through a public bidding process offers from developers for turn-key construction and handover of tenements of 300 sq.ft. in an independent building/wing with minimum of 300 tenements which could be purchased by the MCGM and used as permanent alternate accommodation/transit accommodation. The MCGM can offer such developers a credit note instead of cash which can be utilized by the developer to offset its liabilities of premium, LUC, property tax and other Municipal charges so that the outgo on such an account is minimized. This could also be done as a combination of cash and credit note and a matrix could be made wherein the higher the credit note the higher eligibility for selection of the developers in the bidding process can be determined.

**C] Alternative III -**

The Regulation 33 (8) of DCPR 2034, pertains to construction of Affordable Housing in SDZ, for which an FSI of 4.0 is allowed. We request you to kindly allow PAP to be constructed on SDZ land only for Municipal Tenements upto 2.5 FSI with reduction in minimum requirement of land from 2.0 ha to 1 acre. This will help generate a good number of PAPs for MCGM, both in the Western and Eastern Suburbs.

**D] Alternative IV -**

In individual projects with the available FSI, if the developer wants to, say develop 30 PAP tenements, then to that extent the developer could be issued a credit note, instead of cash, which then can be utilized by the developer to offset his liabilities of premium, LUC, property tax and other Municipal charges. In this alternative, while MCGM gets PAP generated, it also helps minimize the corporations cash outgo. Such PAP tenements built-up area would not be part of FSI and no open space deficiency for this portion of development should be charged.

**E| Alternative V -**

Also in individual projects, you may allow additional FSI for construction of PAP tenements, as an incentive for developers to come forward and take up this initiative. A 25% incentive FSI over and above the current full potential FSI could be considered.

We hereby request you to please consider the above suggestions.

Thanking you,

Your sincerely,  
For CREDAI-MCHI



**Nayan A. Shah**  
President



**Bandish Ajmera**  
Hon. Secretary



**Sanjiv S. Chaudhary MRICS**  
Chief Operating Officer

CC

(1) **Shri Pravin Darade (I.A.S.)**  
Additional Municipal Commissioner (Projects)  
Municipal Corporation of Greater Mumbai  
Mumbai - 400 001



(2) **Shri Rajendra Zope**  
Chief Engineer (DP)  
Municipal Corporation of Greater Mumbai  
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