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Bandish Ajmera

TREASURER

Mukesh Patel

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Sandeep Raheja
Jayesh Shah
Sanjay Chhabria
Rasesh Kanakia

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Dhaval Ajmera
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Deepak Gundecha

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Paras Gundecha
Pravin Doshi
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Mofatraj Munot
Rajnikant Ajmera
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Late Lalit Gandhi
Late Babubhai Majethia

CREDAI-MCHI UNITS

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Ajay Ashar

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Deepak Mehta

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Kiran Bagad

PRESIDENT, NAVI MUMBAI
Prakash Baviskar

Ref. No. MCHI/PRES/19-20/104

January 2, 2020

To,
Hon'ble Dr Jitendra Awhad
Minister for Housing
Govt. of Maharashtra
Mumbai

Signature
21/1/2020
लिपिक
मंत्री, गृहनिर्माण यांचे कार्यालय
महाराष्ट्र शासन
कॅबिनेट, मुंबई ४०० ०३२

- Sub : 1) Alignment of the MHADA Policy for payment of Premium in instalment on the same lines of SRA Policy dated 6.8.2019 CEO/SRA/4598
- 2) Transition Policy to deal with transition cases for payment of reduced rate of fungible FS,I, Premium to MHADA as Planning Authority in accordance with the decision of the Government of Maharashtra vide Notification No.TPB-4319/189/CR-123/2019/UD-11 dated 20th August 2019
- 3) No interest to be charged by MHADA for premium paid under DCR 33(5) for additional FSI availed from MHADA as land owner in accordance with SRA Policy dated 06.08.2019
- 4) Alignment of MHADA's policy contained in Resolution NO.6749 dated 11/7/2017 with MCGM Policy Circular dated 31.08.2019 with regards to grant of CC/OC, etc.

Respected Sir,

Reference is requested to the above. In this regard, we would like to submit as under :

- a) MHADA is the Planning Authority in respect of lands owned by MHADA as notified vide Notification No. TPB-4315/167/CR-51/2015/UD-11 dated 23rd May 2018. In view of the said notification, MHADA exercises all the powers of a Planning Authority as exercised by MCGM and SRA in respect of development of lands within its jurisdiction.
- b) MCGM and SRA have from time to time issued policy circulars with a view to expedite development/redevelopment and these policy circulars have been made applicable by MCGM/SRA in their jurisdiction.
- c) Reference in this regard is requested to DC Regulation 33(5) of the DCPR 2034. The sub regulation 6 of the DCPR 33(5) inter alia reads as under :
- 6) *Notwithstanding anything contained in these Regulations, the other relaxation incorporated in Regulation 33(10) of these Regulations except clause 6.11, 6.15, 6.16 and 6.18 shall apply. The payment of premium at the rate of 25% of normal premium or at the rate of 6.25% of the land rate as per AST (for FSI 1), whichever is more shall apply to the Housing Scheme under this Regulation for construction of tenements under EWS/LIG/MIG categories. However, the front open space shall not be less than 3.0m.*
- As is clear from the above, it is the intention of the government that the relaxations incorporated in regulation 33(10) save and except clause 6.11, 6.15, 6.16 and 6.18 shall apply mutatis and mutandis in respect of DCPR 33(5) and development of land there under. In essence it is the intention of the Government that the redevelopment under DCPR 33(5) be equated with redevelopment of slums as the same is difficult to undertake.
- d) The SRA vide circular no. CEO/SRA 4598 dated 6.8.2019 has inter alia granted issued the following circular : (Copy Enclosed-1)
3. *Considering the representations from stake holders, Intimation of Approval (IOA) and Commencement Certificate upto Plinth/Stilt height shall be given simultaneously looking to the provisions of Regulation No.10 of DCPR, 2034 and other laws in force provided mandatory conditions in DCPR 2034 are complied with at the time of such a grant of IOA and Plinth/Stilt height CC simultaneously for Rehab Buildings, such as :*

- i) Obtaining demarcation of roads as per Regulation No.10 (3)(iv)(h) of DCPR 20234 from competent department of MCGM in advance,
- ii) Applicable clearance for Assessment department of MCGM,
- iii) Payment of development charges/premiums/development cess/offsite infrastructure charges/fees, etc. as per Regulation 10(7) of DCPR, 2034 in addition to the development permission fee and security deposit as per Regulation No.10 (3)(x) and (xi) of DCPR 2034.
- iv) One time payment of 'Pest Control charges' to MCGM as per circular issued by MCGM.
- v) Workmen's compensation policy.
- vi) Submission of remarks from empanelled SWD/road and Fire Consultants (till submission of NOC from CFO of MCGM, in case CFO NOC is submitted, no such remark shall be essential)
- vii) Self certification for cutting/transplanting of existing trees.
- viii) Suitable RUT
4. Considering the viability of SR Schemes, **interest shall not be charged on the deferred payments provided time schedule as per policy circular in force is adhered**, provided further the request for refund or adjustment of interest paid earlier, shall not be entertained.

As can be seen from the above, the SRA has allowed payment of premium charges, fees, development charges etc. in instalment without payment of any interest. In view of the above, it is submitted that MHADA adopt the same policy for the charges payable to MHADA as a Planning Authority and not charge any interest there on so as to facilitate and make viable redevelopment of MHADA colonies and moreover as per DCPR 33(5) all policies of the DCPR 33(10) are to be made applicable to development under DCPR 33(5) ipso facto.

- e) Reference is requested to the cases where MHADA has granted the facility for the payment of various premiums by way of instalment as per the then policy circular dated 06.09.2017 of the MCGM. The said circular of the MCGM was superseded by a revised circular dated 17.09.2019. (Copy Enclosed-2). The revised circular was issued by the MCGM pursuant to the Government of Maharashtra vide notification no. TPB-4319/189/CR/-123/2019/UD-11 dated 20.08.2019 which inter alia reduced the premium payable for Fungible FSI, FSI under DCR 33(5), DCR 33(19) and development cess, etc. as more particularly contained in the said notification. Subsequent there to the Government of Maharashtra also vide notification no. TPB 4319/CR-156/2019/UD-11 dated 19.09.2019 (Copy Enclosed-3) has inter alia agreed to allow instalments for payment of premium coming to the share of the Government and the various Governmental agencies as per the revised MCGM circular dated 17.09.2019.
- f) In this regard we have to submit that the industry is undergoing tremendous hardship and in view thereof the Government has taken a pragmatic decision to give relief to the industry by reducing the premiums, etc. The intention of the Government is to ensure that both existing and ongoing projects are able to avail the benefit of the Government's decision and avail the relief notified by the Government. In view thereof, it is submitted that the transition policy in respect of ongoing projects should clearly provide that existing projects, where instalment schemes for payment of premium has been availed and where one or more instalment have been paid with one or more instalment outstanding, the outstanding instalment should be recalculated as per the reduced premium as notified by the Government. For e.g. if an amount of Rs.1.00 crore is to be paid for fungible FSI in 4 instalments and 2 instalments have been paid then in such a case the balance 2 instalments will be recalculated by reducing the same by 20% and accordingly fresh demand note in this respect be issued. The same would also apply to premium charged by MHADA under DCPR 33(5).

Moreover, in line with the SRA policy referred to herein above, no interest ought to be charged in respect of the outstanding premium. It is respectfully submitted that MHADA is not required to follow the MCGM instalment scheme and in fact required to follow the SRA scheme for reasons as submitted above.

- g) Reference is also requested to the Resolution No. 6749 dated 11/07/2017 of MHADA wherein MHADA had inter alia permitted payment of premium to MHADA in 4 instalment subject to payment of interest at the rate of 12%. Under the same, payment of premium for FSI under DCR 33(5) was allowed in 4 instalments with an upfront payment of 25% and 3 yearly instalment of 25% each. Reference in this regard is requested to the revised MCGM Circular dated 17.09.2019 bearing No. CHE/DP/14770/Gen. As per the revised circular for buildings upto 70 meters payment of premium has been allowed as follows:

Sr. No.	Type of Payments to be made (A per Sub Clause)	Initial Payment	At the end of months with interest			
			12 th	24 th	36 th	48 th
		1 st Instalment	2 nd Instalment	3 rd Instalment	4 th Instalment	5 th Instalment
1	8a	10%	22.5%	22.5%	22.5%	22.5%

For buildings in excess of 70 meters the following instalment schemes has been allowed.

Sr. No	Type of Payments to be made (A per Sub Clause)	Initial Payment	At the end of months with interest				
			12 th	24 th	36 th	48 th	60 th
		1 st Instalment	2 nd Instalment	3 rd instalment	4 th instalment	5 th Instalment	6 th Instalment
1.	8a	10%	18%	18%	18%	18%	18%

The Government component has also been allowed to be paid in instalments as above. The above instalment scheme is also followed by SRA but without levy of any interest whereas Government/MCGM levies 8.5% interest p.a. In view of the above, it is submitted that the MHADA also allows payment of Fungible FSI premium, lift, lift lobby premium, staircase premium, additional FSI premium under DCPR Regulation 33, etc. in instalments as above without levy of any interest.

- h) Moreover, the MCGM circular dated 17.09.2019 does not restrict or link the CC with the payment of instalment as is done by MHADA under the Resolution 6749 referred to hereinabove. Further the Government vide its notification dated 19.09.2019 has also allowed payment of its premium on the same lines as stated above. As such it is clear that MHADA's instalment scheme for grant of FSI under DC Regulation 33(5) is not aligned to the instalment scheme of the MCGM or the SRA or the Government. In view thereof it is submitted that the instalment scheme as contained under Resolution 6749 be aligned with the

instalment scheme of the SRA/MCGM/Government subject to however that no interest be charged for the same as done by the SRA.

- i) It is further submitted that projects undertaken by developers under DCPR 33(5) are completed in a phase-wise manner as the project involve rehabilitation/shifting/ redevelopment and are not undertaken in open plots of land. However, FSI premium is calculated for the entire project without segregating the Rehab part or the sale part for the purpose of grant of instalment. As is the case in most projects the rehab buildings are completed first and the sale buildings are completed later. However, the instalment scheme of the MCGM does not provide for such a situation. It is therefore submitted that based on the proportion of the premium paid, MHADA should grant OC in respect of building as and when completed for e.g. if the premium for the entire development is Rs.1 crores and 50% of the premium has been paid then in such a case MHADA should grant OC for 50% of the development. This will help in expeditious rehabilitation.
- j) The Government vide notification No. TPB-4317/629/CR-118(III)2017/UD-11 dated 13.11.2018 has issued notice inviting suggestion/objection for reducing visitors parking from 25% to 5%. It is submitted that projects of redevelopment particularly under DCPR 33(5) are unable to provide the 25% visitors parking. Considering the overall situation it is submitted that subject to final approval of the draft notification, MHADA should approve plans with 5% of visitors parking in the interregnum, so as to ensure that projects are able to get off the ground and are not held up awaiting the approval of the draft notification.
- k) The MCGM vide Ease of Doing Business Circular dated 29.12.2015 has inter alia permitted to grant zero IOD/CC to enable developers to start preconstruction activity such as excavation, etc. It is submitted that this policy of the MCGM has facilitated expeditious development by reducing the time frame taken for the preconstruction activities. However, no similar policy is available for MHADA land. It is therefore submitted that in line with the EODB policy of the MCGM, MHADA should also permit to grant zero IOD/CC to enable developer to start preconstruction activity without waiting for the final IOD/CC.

In view of the above we request you to grant us an audience so as to enable us to explain in detail the above issues at the earliest before finalizing the transition policy in this regard.

Thanking you,

Your sincerely,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary