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**President, Navi Mumbai**  
Arvind Goel

Ref. No. MCHI/PRES/14-15/145

March 27, 2015

To,  
**Shri Sanjay Banait**  
Deputy Director,  
Department of Town Planning,  
Govt. of Maharashtra,  
Mumbai

**Sub: Capping of premium charges to a maximum of 25% under DCR 32, Table 14**

Respected Sir,

Please refer the circular No. TBP 4312/263/CR-77/2013/UD-11 dated 18<sup>th</sup> March, 2015. The Government has decided to increase the premium FSI from the current levels to 1.6 under the provisions of DCR 32, Table 14, Clause 1(B)(iii) on payment of premium at the rate of 60% of the land rates of Annual Statement of Rates (ASR) of the year

The following issues emerged that need to be addressed:

- Across states, the premium charged is range bound from 10%~40% of the land rates of ASR
- The objective of generating revenue will get defeated
- To help create affordable housing, LIG & MIG housing units need to be out of the purview of such premium charges

The proposal of charging premium for additional premium FSI of 0.60 as 60% of the land rates of Annual Statement of Rates (ASR) of the year would be detrimental and counter-productive to the overall objective that the increase in FSI proposes to address. While the department will not be able to achieve its revenue target, it will only add to the current burden of the common man, as these costs shall be passed onto the consumer.

In this regards, your kind attention is drawn to the premium being charged in other states / cities which should be treated as a benchmark before fixing such premium charges in the city of Mumbai. The trail table below highlights that while the other states also charge premium on the basis of ASR rates of land, however, the rate being charged remains range bound within 10%~40% of ASR rates of land, on an average.

STATES	PREMIUM CHARGED
Uttar Pradesh	@40% of ASR rate of land
Karnataka	@40% of ASR rate of land
Rajasthan	@40% of ASR rate of land
Andhra Pradesh	Minimal "Impact Infra Cost"; Rs.30/-~35/- per sq.ft. average' roughly 6%~8% of ASR rate of land
Gujarat	@40% of ASR rate of land
Chennai	Free of charge for LIG & MIG housing

It may also be seen from the above table, that for LIG & MIG housing in Chennai, premium FSI is provided to developers free of charge.

**MCHI-CREDAI** (ISO 9001:2008)

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On the above basis, while we as MCHI-CREDAI, object to the currently proposed premium rates, in order to help create more affordable housing in line with the promise given by Hon'ble Chief Minister of Maharashtra and to support the current stress in the housing sector in the MMR region.

Therefore MCHI-CREDAI strongly recommends that such premium charges should be capped at a maximum of 25% of the land rates of Annual Statement of Rates (ASR) of the year, with an additional proposal to keep LIG & MIG housing out of this purview.

Thanking you,

Yours faithfully,  
For MCHI-CREDAI



Vimal Shah  
President

महाराष्ट्र राज्य वसाहती, मुंबई  
आचे सचिव  
Amr  
22/3/15