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Ref. No. MCHI/PRES/18-19/223

March 19, 2019

To,
Shri Ajoy Mehta (I.A.S.)
Municipal Commissioner,
Municipal Corporation of Greater Mumbai
Mumbai - 400 001



Sub: Fixation of premium for condoning deficiency in open spaces staircase premium etc. in city, suburbs and extended suburbs

- Ref: a) MCGM Circular No. ChE/2247/Acqc dated 23/03/2006
b) MCGM Circular No. CHE/199/ACQC/GEN dated 25/05/2007
c) MCGM Circular No. CHE/2

Respected Sir,

Vide above circular the MCGM has fixed the rate for premium for condoning deficiency of open space, staircase premium, etc. in cities, suburbs and extended suburbs of Mumbai to be charged. As per the above referred circular, the premium to be charged for condoning deficiency in open space, staircase, etc has been fixed at the rate of 25% of RR rate of the developed land for residential user. In case of Commercial and industrial user the premium are to be fixed by adopting the ratio of 1:2:1:25 as per approved policy for residential/ commercial/industrial users respectively.

As per the said policy, the premium for charging open space deficiency for Commercial User would be equivalent to 50% of the RR rate of developed land whereas the premium for the Industrial User would be 31.25% of RR rate of developed plan for condoning of open space, staircase premium, etc. It is noteworthy that this formula has been followed by the MCGM for more than 10 years despite the fact that now the DCPR 2034 has already been notified and the DC Regulation 1991 under which the above circulars have been issued is no longer applicable. Reference in this regard is requested to the Regulation 31(3) which inter alia provides as follow:

Notwithstanding anything contained in the D.C. Regulations 30, 32 & 33, the Commissioner may, by special permission, permit fungible compensatory area, not exceeding 35% for residential/Industrial/Commercial development, over and above admissible FSI/BUA, by charging a premium at the rate of 50% for Residential and 60%

for Industrial and Commercial development of ASR (for FSI 1), which is to be shared between MCGM, State Govt. and MSRDC (for Sea Link) in 50%, 30% and 20% respectively.

From the above, it can be seen that the Government of Maharashtra has taken a conscious decision to charge 50% premium for residential user and 60% for industrial and commercial user. Thus the ratio for the difference between the residential user and industrial/commercial user for grant of fungible FSI has now been determined as 1:1.2. Reference in this regard is also requested to the grant of additional FSI under DC Regulation 33(13), Regulation 33(13A) and 33(19) which provides for grant of additional FSI for specified user such as IT building smart fin tech centre and commercial user development wherein additional FSI has been permitted to be granted on payment of premium ranging between 40-50% of the RR.

As per the above circulars the premium for exemption of staircase lift, lift lobby under regulation 31(1) (iv) for commercial user would now be equivalent to 50% of the RR rate and which is higher or equivalent to the premium payable for grant of additional FSI for the main user which is habitable in nature. It is submitted that the areas of staircase, staircase lift, lift lobby are non habitable in nature and the premium of such area is therefore required to be in consonance with the user. Moreover, the ratio of difference between premium for residential viz a viz industrial/commercial user is already determined in the DCPR in the case of fungible area and as such the said ratio ought to be followed while fixing the premium for staircase lift, lift lobby and condoning of deficiency in open space.

In view of the above it is requested that the MCGM modifies the above circular in line with the DCPR 2034 and rationalize the levy of premium for condoning deficiency in open space as staircase premium as per the ratio provided in the DCPR 2034 at the earliest and oblige.

Thanking you,

Your sincerely,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary

MUNICIPAL CORPORATION OF GREATER MUMBAI

No. ChE/2247/Acqc dated 23/03/2006.

Dy.Ch.E (B.P. City)/Dy.Ch.E. (B.P) (ES)/Dy.Ch.E (B.P)(W.S)

Sub :- Fixation of premium rate for condoning deficiency in open spaces, staircase premium etc. in city, suburbs & extended suburbs for the period 1/4/2006 to 31/3/2007.

The Municipal Commissioner has already approved the policy to fix premium rates for residential user for the purpose of charging premium for condoning deficiency in open space, staircase premium etc. at 25% of the ready reckoner rate of developed land. The premium rate for Commercial & industrial users are to be fixed by adopting the ratio of 1 : 2 : 1:25 as per approved policy for Residential : Commercial : Industrial users respectively.

The ready reckoner rate for the year 2006 has been published by the Superintendent of Stamps. The Ready reckoner rates are also published by the private publishing company named "Architects Publishing Corporation of India", 51, Sujata, Ground Floor, Rani Sati Marg, Malad (East), Mumbai – 400 097. The Ready reckoner rates published by this private company is readily available and can be adopted for reference as per the approved policy. A copy of the ready reckoner for the year 2006 published by the private company is enclosed for the reference of zonal Dy.Ch.E.B.P.

With effect from 1/4/2006, all the concerned staff of Building Proposal Dept. are requested to work out the premium rates for residential user at 25% of the ready reckoner rates of developed land for the year 2006, mentioned in this private publication after procuring the same. The premium rates for Commercial & Industrial user shall be calculated by enhancing the ready reckoner rate for developed land as per the ratio mentioned.

The Ready reckoner rates for the developed land for the year 2006 are based on F.S.I. of 1. In city limits, the F.S.I. is 1.33, the ready reckoner rates of developed land has to be multiplied by 1.33 to arrive at the ready reckoner rate of developed land in the city.

All the staff of Building Proposal Deptt are requested to follow the above methodology for working out the premium for the above purposes from 1st April, 2006 onwards.

Copy to E.E.B.P. (City)(I), E.E.B.P. (C-H), E.E.B.P (City)-III, E.E.B.P (W.S), H &K/E, E.E.B.P (W.S) (P & K/West), E.E.B.P (W.S) R, E.E.B.P. (E.S)._____.

23.03.06

CH.E. (D.P)

MUNICIPAL CORPORATION OF GREATER MUMBAI

No: CHE/199/ACQC/GEN dt. 25.05.2007

CHE/DP/09/2007-08

Sub:- Fixation of premium rate for condonation, staircase premium, etc. in City, Suburbs and extended Suburbs for IT/ ITES user including Residential Zone.

Ref:- 1)CHE/2245/ACQC dt.23.3.2006
2)MCP/8738 dt.17.4.2007
3)CE/8761/WS/AK

The premium rates are calculated at 25% of the Ready Reckoner Rates of developed land for residential user for a particular C.T.S.No./ C.S.No. of Village/ Division. The premium rate for industrial user is calculated at 1.25 times the premium rate of residential user. In the Island City area, Ready Reckoner Rate is multiplied by 1.33 in order to arrive at the Ready Reckoner Rates of developed land, since developed land rate is provided in the SDRR for FSI 1. The Circular to this effect has been issued dt.23.3.2006 referred to at Sr.No.1 above.

The Govt. is levying property tax at par with Residential premises for IT & ITES users for extending the support to IT Industry as per the IT & ITES policy 2003.

The Municipal Commissioner has accorded sanction vide MCP/8738 dt.17.4.2007 (copy enclosed) whereby premium for IT & ITES user including in Residential Zone will be continued to be recovered at Industrial rate only as a policy.

All concerned staff in Building Proposal Section is requested to take note of above and take necessary action accordingly.

Sd/-

CH.ENG.(D.P.)

C.C.to...

Ch.Eng.(Vigilance)**O.S.D. to M.C.****Dy.Ch.Eng.(DP)I/ II****Dy.Ch.Eng.(BP)City/ ES/ WS****EE(P) to Director(ES&P)/ EE(P) to Ch.Eng.(D.P.)****EEBP(ES)/ EEBP(CITY)-I/II/III/****EEBP(WS)H&K/E/ EEBP(WS)P&K/W****EEBP(WS)R/ EEDP(CITY)/ (ES)/ (WS)H&K/ (WS)P&R/****EE(TP)Variation****Asstt.Comm.(Estates),****Dy.Ch.Eng.(P.I.Cell)**

MUNICIPAL CORPORATION OF GREATER MUMBAI**No. CHE/2278/ACQC dt. 28.2.2008****Dy. Ch. E (B.P.) City / Dy. Ch. E. (B.P.) (ES) / Dy. Ch. E. (B.P.) W.S.****Sub:** Fixation of premium rate for condoning deficiency in open spaces staircase premium etc. in City Suburbs & extended suburbs.**Ref:-** 1) CHE/2190/ACQC dtd. 29.3.2007.
2) MCP/5147 dtd. 20.2.2008.

The Municipal Commissioner has already approved the policy to fix premium rates for residential user for the purpose of charging premium for condoning deficiency in open space, staircase premium etc. at 25% of the ready reckoner rate of developed land. The premium rate for Commercial & Industrial user are to be fixed by adopting the ratio of 1:2:1:25 as per approved policy for Residential/Commercial/Industrial users respectively.

The ready reckoner rate for the year 2008 has been published by the Superintendent of stamps. The Ready Reckoner is also published by the private publishing Companies. The Ready Reckoner published by the private company is readily available and can be adopted for reference as per the approved policy. However, any difference is observed in the rates published by private publication and that published by Inspector General Registrar and Stamp Duty Controller, the difference in premium amount, if any shall be recovered.

In the past, these privately published Ready Reckoner books used to be available only by the end of January of the calendar year. It was therefore, difficult to apply these ready reckoner rates for proposals received in January of the calendar year. In order to offset the problem of non-availability of R.R rates on 1st January and to facilitate recovery of premium rates uniformly, it was then proposed that the premium rates will be fixed for every financial year i.e. starting from 1st April to 31st March instead of Calendar year i.e. from 1st Jan. to 31st Dec. The sanction of M.C. was obtained under no. MCP/5221 dtd. 31/9/2001 to the above proposal. The premium rates were thereafter fixed for every financial year and circulars were issued before 31st March for adopting the premium rates for the new financial year starting from 1st April.

On the above lines, a circular had been issued under no. CHE/2190/ACQC dtd. 29/03/2007 for fixing premium rates from 1st April 2007 onwards at 25% of the RR rate of developed land applicable for the year 2007. However, the privately printed Ready Reckoner Rate Books are now readily available by the 1st week of January itself.

Hence, M.C. vide no. MCP/5147 dated 20.2.2008 has sanctioned to make applicable the premium rates at 25% of the ready reckoner rates for the year 2008 from 1st Jan. 2008 to 31st Dec. 2008 in supersession of the earlier circular issued under no. CHE/2190/ACQC dtd 29.3.2007 M.C.'s sanction as mentioned above supercedes all the orders Issued earlier based on previous circular u/no. CHE/2180/ACQC dtd. 29.3.2007. It has also been sanctioned that here onwards, the ready reckoner rates published for every calendar year will be made applicable from 1st Jan. of the respective calendar year for which no separate circular will be issued every year. Also during any calendar year, the rates prevailing at the time of payment of premium shall be made applicable with due cognizance of any change/revision of ready reckoner rates if any, during the calendar year. For the current year, the difference in the premium payable after applying the ready reckoner rate for 2008 to cases wherein the premium has already been accepted based on earlier circular, shall be recovered by respective zonal building proposal offices before granting further building permission. Also for subsequent years here onwards, till the receipt of revised ready reckoner rates for the respective calendar year, the premium shall be accepted by insisting the undertaking for agreeing to pay the difference in premium, if any on receipt of respective ready reckoner rates. For this, ready reckoner rates published by private printing houses which are readily available for sale shall be adopted.

The ready reckoner rates for developed land are based on FSI 1.00. As the FSI is 1.33 in City limit, the ready reckoner rate of developed land has to be multiplied by 1.33 to arrive at the ready reckoner rate of developed land in the City.

All the staff of Bldg. Proposal Sections are requested to follow the above methodology for working out the premium for the purpose from 1st Jan. 2008 onwards.

CH.E. (D.P.)