

S. S. Hussain I.A.S. (Ex)

Chief Executive Officer

Ref. No. MCHI/CEO/17-18/059

October 27, 2017

Sub: Letter for correct implementation of G.R. dated 06.03.1990 by Urban Development Department and concerned officials.My Dear *Shri Nipin Karsar,*

You may recall that our member Shri. Rajesh Prajapati had raised query about Maveja being levied on 12.5% plots towards the transferee during our seminar 'Don't worry Raise Query' held on Friday 23rd December' 2016 at Vashi. You had instructed us to explain the issue to you which is as under:

CIDCO has acquired land in Navi Mumbai and paid compensation to farmers through award under section 11 of Land Acquisition Act 1984. Aggrieved by the compensation received farmers have approached various courts for LAR matters demanding higher compensation for the land acquired from them. As is expected in court cases, these matters take a long time to get disposed and even if disposed either the farmer or CIDCO approaches the higher court for further remedy. Hence the final settlement of cases may take decades as is being experienced. As an interim relief, huge sums are being paid to farmers as compensation along with the solatium and interest by the lower courts.

As an additional benefit to the farmers, CIDCO is allotting developed plots under 12.5% scheme to them under Government Resolution dated 06.03.1990.

At the time of Agreement to Lease of developed plots the allottee pays Lease Premium (Maveja) to CIDCO based on compensation received by him on his acquired land. Taking note of the fact that the allottees were not getting market price for the land allotted to them, Gov. of Mah., allowed transfer of these allotted plots under G. R. dtd 28.09.1998. Please note that there is no mention of Lease Premium in this Government Resolution leading credence to the fact that Lease Premium has to be collected as per provision of earlier G. R. dated 06.03.1990 from the "allottee" only.

Most of the allottees have sold their lease rights on these plots to developers etc. Hence the allottees are getting double benefits:

I. Market price for the allotted developed plots under 12.5% scheme.

II. Higher compensation of acquired land over & above compensation received earlier.

As Lease Premium of allotted developed plots payable to CIDCO is linked to compensation paid to allottees, the difference of Lease Premium (Maveja) between that paid earlier at the time of Agreement to Lease & that applicable presently has to be paid to CIDCO.

Presently CIDCO is collecting this Maveja or differential Lease Premium from the transferee of the 12.5% plots. Since new compensation amount is huge, simultaneously Maveja to be collected is also huge. Many times, during the pendency of trial in court, the buildings are ready and the conveyance of plot and buildings is already carried out in favour of society which becomes the present transferee. Therefore, these sums of money have to be paid by the society to CIDCO, being the present lessees. CIDCO is unable to collect this Maveja amount from their members. Also in many instances, the huge Maveja amount payable may become a point of many

litigations between CIDCO and lessees. This also results in loss of revenue to the Gov. of Mah., over and above the hardship to transferees including housing societies, developers etc.

Some of the transferees are developers who are constructing projects in 12.5% plots. These developers have started receiving notices which are way beyond (2-3 times) the profit they can earn from the project. These developers are unable to pay such huge sums of money as this comes as an unjustifiable shock to them.

Sir, as per G.R. dated 06.03.1990 the lease premium payable to CIDCO is calculated on the basis of compensation payable to the "allottee". CIDCO is doing the mistake of seeking differential lease premium from the "transferee" of plots rather than the "original allottees". Hence a situation is created wherein "allottee" is getting additional money and burden of payment is being put on the "transferee". This is an unconscionable act and therefore we request you to kindly issue an explanatory note / corrigendum to the Urban Development Department that the "allottee" in Clause © of the G. R. dated 06.03.1990 shall mean "original allottee" only.

Sir, by doing this CIDCO will effectively deduct only a fraction of money at source from the compensation payable to the original "allottee". This will ensure a just and correct implementation of Government Resolution dated 06.03.1990 and also result in 100% revenue collection for CIDCO & the State of Maharashtra.

Presently CIDCO is demanding full payment of Maveja amount due to them before granting Commencement Certificates or any NOC required for progress of under construction projects on plot where Maveja amount has become due. These amounts are huge and developers are not in a position to pay such amounts at the start of project or even midway of under construction projects.

We request you to kindly instruct the CIDCO to refrain from withholding any Commencement Certificates, NOCs for time extension and any other NOC's required for progress of work. CIDCO should not insist on the payment of Maveja amount till Lease Deed of the plot is effected. A suitable Declaration / Undertaking / Indemnity Bond / Legal documents may be taken by CIDCO wherein our members would assure you of paying the pending Maveja amount before Lease Deed of the plot. This will go a long way in assuring Ease of Doing Business and in ensuring that Development of buildings in Navi Mumbai goes on without any obstacles.

We are sure that you will take cognizance of the matter & grant relief to the housing industry very soon

With kind regards

Yours sincerely



(S. S. Hussain)

To,
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