

**MANAGING COMMITTEE**  
**2014 - 2015**

**PRESIDENT**  
Vimal Shah

**IMMEDIATE PAST PRESIDENT**  
Paras Gundecha

**PRESIDENT-ELECT**  
Dharmesh Jain

**VICE PRESIDENTS**  
Mayur Shah  
Nayan Shah  
Deepak Goradia  
Boman R. Irani

**HON. SECRETARY**  
Nainesh Shah

**HON. TREASURER**  
Sukhraj Nahar

**CEO**  
S. Shahzad Hussain  
I.A.S. (Retd.)

**HON. JOINT SECRETARIES**  
Harish Patel  
Ashok Mohanani  
Sandeep Runwal  
Bandish Ajmera

**JOINT TREASURERS**  
Lakshman Bhagtani  
Mukesh Patel

**CO-ORDINATORS**  
Rasesh Kanakia  
Jagdish Ahuja  
Pujit Aggarwal  
Parag Munot

**COMMITTEE MEMBERS**  
Jayesh Shah  
Nayan Bheda  
Sanjay Chhabria  
Rajendra Chaturvedi  
Shailesh Sanghvi  
Tejas Vyas  
Jitendra Jain

**INVITEE MEMBERS**  
Sandeep Raheja  
Munish Doshi  
Domnic Romell

**PAST PRESIDENTS**  
Sunil Mantri  
Pravin Doshi  
Mohan Deshmukh  
Mofatraj Munot  
Niranjan Hiranandani  
Rajni S. Ajmera  
G. L. Raheja  
Lalit Gandhi  
Babubhai Majethia

**MCHI-CREDAI UNITS**

**President, Thane**  
Suraj Parmar

**President, Kalyan-Dombivli**  
Johar Zojwalla

**President, Mira Virar City**  
Ashit Shah

**President, Raigad**  
Vikas Bhamre

**President, Navi Mumbai**  
Arvind Goel

**MCHI - CREDAI**

Ref. No. MCHI/PRES/14-15/140

February 24, 2015

To,  
**Hon'ble Shri Devendra Fadnavis**  
Chief Minister  
Government of Maharashtra,  
Mantralaya,  
Mumbai 400 032

*Lykmate*  
लिपिक 25/02/015  
मुख्यमंत्री सचिवालय  
मंत्रालय, मुंबई-400032

**Sub: Proposed increased in premium rate from 40% to 60% in the Public Parking Lot (PPL) under regulation no. 33(24) of DCR 1991.**

Respected Sir,

The Government of Maharashtra as introduced the regulation no. 33(24) in DCR 1991 for greater Mumbai for availing of Public Parking Lot (PPL) for MCGM. As per regulation FSI has been increased up to 4.00 in City & 3.00 in Suburb. For the additional FSI more than zonal FSI, premium is required to be paid to the MCGM/Govt., as unearned income as per the following formula:

**Premium = 40% of [Value as per Residential Ready Reckoner Rate for additional incentive built-up area due to application of DCR 33(24) less (cost of construction of PPL + cost of any extra facilities provided + cost of construction of incentive FSI)].**

The value of RR rate for built up area is to be considered of residential user of the locality & the cost of construction of PPL & cost of construction of incentive built up area is to be considered of the date on which sanction given for incentive FSI for the PPL amenity.

This issue has been criticized at various levels as well as in the court of Law also. Ultimately for utmost requirement of PPL amenity for MCGM/Govt. has introduced / incorporated this regulation in DCR 1991. The Govt. of Maharashtra has given sanction for such proposals in the City as well as Suburbs of Mumbai. The Owners/Developers have started construction work and processed the proposal accordingly as per the conditions laid down in the regulation.

It is now learnt that the Govt. is proposing enhancement in the premium of 40% to 60% in the formula mentioned above. It may be mentioned here that Govt. is increasing the Ready Reckoner Rate (RR rate) by about 25% every year even though real estate market has slowed down. If the proposed enhancement is imposed by Govt., then it will be very difficult to avail of the amenity of PPL for the public purpose.

We have worked out the premium in few cases of the proposals of PPL, the work sheets of those proposals by considering RR rate of 2014 as well as RR rate of 2015

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

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and the enhancement of the premium in such proposals are given therein. The increase in the premium as compared to last year is about 193% more, though the RR rate is increased by about 20% to 25%. (Annexure A enclosed herewith)

If the premium in the formula given above is increased from 40% to 60% as being considered by the Govt., the said premium will be increased to 771% than the last year. This is unreasonable and impracticable to the owners/Developers. (Annexure A enclosed herewith).

If the total premium worked out as per the above said formula is increased by 20% then the total increase will be 209% than the last year premium. (Copy of Annexure B enclosed herewith)

Similarly we have worked out for premium for such PPL proposal of different locality such as City, Suburb & extend Suburb of Mumbai, copies of the worksheets are also enclosed herewith Annexure C, D & E.


It may be mentioned here that the Owners / Developers we have proposed to avail the benefit of this PPL facility, have done lot of exercise in planning of their proposal, submitting the proposals to various department of MCGM as well as Govt., giving detailed presentation on the project to the authorities and further correction there in as per suggestions made by the officials. This exercise requires lot of time period for ultimate submission to the concerned MCGM authority and thereafter it will go to the Govt. of Maharashtra for approval. After Govt. approval the MCGM is issuing letter of intent for the PPL proposal. There after regular proposal for the proposed building including PPL is taken for the scrutiny as per DCR 1991 etc. by the office of the Building Proposal department of MCGM.

From the aforesaid facts and through the exercise as mentioned above, it is evident that further enhancement in the premium as now being proposed by the Govt., such proposals of PPL will not be viable. On the other hand for making such proposals viable the 40% premium as mentioned in sanctioned regulation no. 33(24) of DCR 1991, the RR rate of 2014 shall be considered as a correct market price of the properties for further period up to 5 years.

Your are is requested to consider the above aforesaid facts and keep the regulation as it is without any enhancement / increment in the premium mentioned in the formula in the regulations no. 33(24) DCR 1991. More over it is further requested the RR rate for working of the premium may be fixed of the year 2014 for further period of 5 years.

Thanking you & obliged.

Yours Faithfully  
For MCHI-CREDAI

  
**Vimal Shah**  
President

CC to:

**Shri Pravin Pardeshi (I.A.S.)**

Principal Secretary to Hon'ble Chief Minister  
Government of Maharashtra,  
Mantralaya,  
Mumbai 400 032

25/2/15  
प्रधान सचिवांचे स्वीय सहाय्यक  
मुख्यमंत्री सचिवालय

**Shri Milind Mhaiskar (I.A.S.)**

Secretary to Hon'ble Chief Minister  
Government of Maharashtra,  
Mantralaya,  
Mumbai 400 032

25/2/15  
स्वीय सहाय्यक  
मिलिंद म्हासकर  
मुख्यमंत्री यांचे सचिव  
मंत्रालय, मुंबई - 400 032.

**Shri Pravin Darade (I.A.S.)**

Secretary to Hon'ble Chief Minister  
Government of Maharashtra,  
Mantralaya,  
Mumbai 400 032

25/2/15  
सचिवांचे स्वीय सहाय्यक  
मुख्यमंत्री सचिवालय  
मंत्रालय, मुंबई - 400 032.

# Annexure 'A'

			2014 RR Rate			2015 RR Rate			2015 RR Rate		
	Ready Reckoner Rate of Residential Property	----->	2014		161,100	2015		193,300	2015		193,300
Sr. No.	Description	Area Sq. Mtr	RR Rate / Const Cost	Premium Formula / Factor	Amount Rs. In Lac	RR Rate / Const Cost	Premium Formula / Factor	Amount Rs. In Lac	RR Rate / Const Cost	Premium Formula / Factor	Amount Rs. In Lac
1	40% of Value of additional built up Area corresponding to incentive FSI admissible under this regulation	5,450.00	161,100	40%	3,512	193,300	40%	4,214	193,300	60%	6,321
Less:											
2	Construction cost of PPL + cost of any extra amenities / facilities provided	10,900.00	15,000		1,635	15,000		1,635	15,000		1,635
3	Construction cost of built up area corresponding to incentive FSI admissible under this regulation	5,450.00	25,000		1,363	25,000		1,363	25,000		1,363
4	Cost of Extra Amenities / Facilities / Equipments etc.	L S			150			150			150
	TOTAL Premium Payable		TOTAL		364	TOTAL		1,066	TOTAL		3,173
	Increase Amount					Increase Rs.		702	Increase Rs.		2,809
	Increase %					Increase %		193%	Increase %		771%



## Annexure 'B'

			2014 RR Rate			2015 RR Rate		
Ready Reckoner Rate of Residential Property		----->	2014		161,100	2015		193,300
Sr. No.	Description	Area Sq. Mtr	RR Rate / Const Cost	Factor	Amount Rs. In Lac	RR Rate / Const Cost	Factor	Amount Rs. In Lac
1	40% of Value of additional built up Area corresponding to incentive FSI admissible under this regulation	5,450.00	161,100	40%	3,512	193,300	40%	4,214
Less:								
2	Construction cost of PPL + cost of any extra amenities / facilities provided	10,900.00	15,000		1,635	15,000		1,635
3	Construction cost of built up area corresponding to incentive FSI admissible under this regulation	5,450.00	25,000		1,363	25,000		1,363
4	Cost of Extra Amenities / Facilities / Equipments etc.	L S			150			150
	<b>TOTAL Premium Payable</b>		<b>TOTAL</b>		<b>364</b>	<b>TOTAL</b>		<b>1,066</b>
	<b>Additional 20% Increment in premium on overall basis</b>	Increment %		20%	73	Increment %	20%	213
	<b>TOTAL Premium Payable with 20% Increment on overall basis</b>	Total with 20% Increment overall			437	Total with 20% Increment overall		1,280
						Increase Rs.		915
						Increase %		209%

## Annexure 'c'

Project Name: Elphinston

## Area Conversion

1 Sq.Yd = 9.00 Sq.Ft

1 Sq.Mtr. = 10.764 Sq.Ft

Sq. Mtr.	Land Details	Assumptions
	Land Area	1,666
	Land Area in Sq. Ft	17,933
	Road Set Back	0 Sq.Ft
	R.G.	0 Sq.Ft
	Net Area	17,933 Sq.Ft
	Total FSI incl. TDR	23,851 Sq.Ft
	Incentive Parking FSI	47,881 Sq.Ft
	Total FSI	71,731 Sq.Ft
	Add: Fungible FSI Residential	25,106 Sq.Ft
	Total FSI incl. Fungible	96,837 Sq.Ft
	Total Carpet Area available	84,248 Sq.Ft
	Construction Area ( Sale )	130,585 Sq.Ft
	Construction Area ( PPL )	95,761 Sq.Ft
	Saleable Area Resi	84,248 Sq.Ft

Construction Period

36

Months

No. of Parkings - Developer

112

Total Parkings

112

Outflow Workings					In Crs.
A)	Land Cost	400,000,000			40
	Stamp Duty	22,000,000	@60% of RR	5.5%	2.20
	Brokerage	8,000,000	@ Rs./sq ft	2%	0.80
	Premium for Fungible FSI (Resi)	181,844,633		5,446	18.18
	Premium for PPL	223,300,644		40%	22.33
	<b>Total (A)</b>	<b>836,145,277</b>			<b>83.51</b>
B)	<b>Cost of Approvals &amp; Consultants</b>				
	- Architect Fees	19,587,755		150	1.96
	- BMC & Other Misc. Charges	13,058,503	@ Rs./sq ft	100	1.31
	- Staircase/MOS/others	43,837,545			4.38
	- open space	73,062,576			7.31
	<b>Total (B)</b>	<b>149,546,379</b>			<b>14.96</b>
C)	<b>Construction Cost</b>				
	Construction Cost PPL	229,827,072	@ Rs./sq ft	2400	22.98
	Construction Cost (Sale Portion)	548,457,131	@ Rs./sq ft	4200	54.85
	Construction of Parking Area	47,179,108	@ Rs./sq ft	1200	4.72
	Administration + Other Cost in Rs.	41,273,166	@ %age of Construction Cost	5.00%	4.13
	Marketing Cost in Rs.	61,571,544	@ %age of Sales Revenue	2.50%	6.16
	<b>Total of Construction Cost (C)</b>	<b>928,308,021</b>			<b>92.83</b>
	<b>Total (A+B+C)</b>	<b>1,912,999,677</b>			<b>191.30</b>
D)	<b>INTEREST COST</b>				
	Interest Construction & Related Cost	167,772,978	@	16.0%	16.78
	Interest on TDR, Rentals & Corpus	131,620,731	@	16.0%	13.16
	Interest on Land cost	195,850,200		21.0%	19.59
	<b>Total Interest Cost (D)</b>	<b>495,243,909</b>			<b>49.52</b>
	<b>Total Cost</b>	<b>2,408,243,585</b>			<b>240.82</b>
	<b>In Crs.</b>	<b>240.82</b>			

With basements

Recovery				Break Even Price (PSF)
	Rate	Amount		
Recovery (Residential)	18,000	2,350,530,560		
Parking Revenue	1,000,000	112,331,210		
Total Revenue		2,462,861,769		
Total Cost		2,408,243,585		18,442
Profit/Loss		54,618,184		5.46
Profit/Loss in Percent		2.27%		Avg. Selling Price
				18,860



## Annexure 'D'

Project Name: Bandra

Area Conversion	
1 Sq.Yd =	9.00 Sq.Ft
1 Sq.Mtr. =	10.764 Sq.Ft

Land Details		Assumptions	
Sq. Mtr.			
Land Area	3,980		
Land Area In Sq. Ft	42,841		
Road Set Back	0 Sq.Ft		
R.G.	6,426 Sq.Ft	15%	
Net Area	36,415 Sq.Ft		
Total FSI Incl. TDR	79,255 Sq.Ft	2.00	
Incentive Parking FSI	42,841 Sq.Ft		
Total FSI Incl. TDR & Parking FSI	122,096 Sq.Ft		
Society's existing Carpet Area Resi Incl balcony	34,830 Sq.Ft		
Existing BUA for Residential Incl balcony	40,055 Sq.Ft	1.2	
Society's Carpet Area Incl fungible for Resi to be given	53,987 Sq.Ft	55.00%	
Total Carpet Area To be Given	53,987 Sq.Ft		
Total BUA to be given	62,084 Sq.Ft	1.2	
Total Available FSI	122,096 Sq.Ft	100.00%	
Add: Fungible FSI Residential	42,734 Sq.Ft	35.00%	
Total FSI Incl. Fungible	164,830 Sq.Ft		
Total Carpet Area available	143,402 Sq.Ft	0.87	
Society Existing BUA	40,055 Sq.Ft		
Society Existing BUA without balcony	36,413 Sq.Ft		
Fungible Area to Society Resi.	12,745 Sq.Ft	11,088 Sq.Ft 35%	
Fungible Area to Developer Resi	23,989 Sq.Ft		
Total Carpet Area	143,402 Sq.Ft	0.87	
Total Area To Be Given excluding fungible	8,069 Sq.Ft		
Balance Carpet Area to the Developer Resi	89,415 Sq.Ft		
Construction Area (Society)	83,679 Sq.Ft	@ 1.55 Times	
Construction Area ( Sale )	138,594 Sq.Ft	@ 1.55 Times	
Construction Area ( PPL )	85,681 Sq.Ft		
Saleable Area Resi	138,594 Sq.Ft	@ 1.55 Times	
Saleable Area Comm.	0 Sq.Ft	@ 1.55 Times	
Construction Period	48	Months	
No. of Exiting Society members	75		
No. of Parkings - Society	112		
No. of Parkings - Developer	185		
Total Parkings	296		

Outflow Workings					In Crs.
A)	TDR Area	42,841			
	TDR Cost from MCGM	160,602,552	@ 60% of RR	11,360	16.06
	TDR Cost from Market	143,516,412	@ Rs./sq ft	5,000	14.33
	Premium for Fungible FSI (Resi)	340,677,766		11,360	34.07
	Premium for Fungible FSI (shop)			18,933	
	Stamp Duty Registration on extra area	34,741,623	5%		3.47
	Stamp Duty Registration & Service Tax	101,478,403			10.15
	Premium for PPL	452,924,000	40%		45.29
	<b>Total (A)</b>	<b>1,233,940,756</b>			<b>123.39</b>
B)	Cost of Approvals & Consultants				
	- Architect Fees	33,340,922	150		3.33
	- BMC & Other Misc. Charges	22,227,281	@ Rs./sq ft	100	2.22
	- PMC expenses/Brokerage/ Committee charges	5,000,000			0.50
	- Staircase/MOS/others	117,028,985			11.70
	- open space	195,049,874			19.50
	<b>Total (B)</b>	<b>372,646,162</b>			<b>37.26</b>
	Shifting Charges	1,675,000		25,000	0.19
	Corpus	156,735,000		4,500	15.67
	Rent Resi	250,776,000		150	25.08
	Brokerage	13,932,000			1.39
	Stamp duty on L/L	750,000		10,000	0.08
	<b>Total (B)</b>	<b>424,068,000</b>			<b>42.41</b>
C)	Construction Cost				
	Construction Cost (Society)	317,980,485	@ Rs./sq ft	3800	31.80
	Construction Cost PPL	205,635,456	@ Rs./sq ft	2400	20.56
	Construction Cost (Sale Portion)	582,093,688	@ Rs./sq ft	4200	58.21
	Construction of Parking Area	124,472,774	@ Rs./sq ft	1200	12.45
	Administration + Other Cost in Rs.	51,227,347	@ %age of Construction Cost	5.00%	5.12
	Bank Guarantee Charges	25,438,439	@ of Society Construction Cost	25.00%	2.54
	Marketing Cost in Rs.	105,212,018	@ %age of Sales Revenue	2.50%	10.52
	<b>Total of Construction Cost (C)</b>	<b>1,412,080,207</b>			<b>141.21</b>
	<b>Total (A+B+C)</b>	<b>3,442,717,125</b>			<b>344.27</b>
D)	INTEREST COST				
	Interest Construction & Related Cost	149,909,051	@ 15.0%		14.99
	Interest on TDR, Rentals & Corpus	414,978,078	@ 15.0%		41.50
	<b>Total Interest Cost (D)</b>	<b>564,887,129</b>			<b>56.49</b>
	<b>Total Cost</b>	<b>4,007,604,254</b>			<b>400.76</b>
	In Crs.	400.76			

Recovery				Break Even Price (PSF)
	Rate	Amount		
Recovery (Residential)	45,000	4,023,689,888		
Parking Revenue	1,000,000	184,791,647		
Total Revenue		4,208,480,735		
Total Cost		4,007,604,254		28,916
Profit/Loss		200,876,481		20.09
Profit/Loss in Percent		5.61%		Avg. Selling Price
				47,067

On carpet 37848

1,200,746,754

With basements

# Annexure 'E'

Project Name: Malad

Area Conversion	
1 Sq.Yd =	9.00 Sq.Ft
1 Sq.Mtr. =	10.764 Sq.Ft

Sq. Mtr.	Land Details	Assumptions
	Land Area	3,980
	Land Area in Sq. Ft	42,841
	Road Set Back	0 Sq.Ft
	R.G.	6,426 Sq.Ft
	Net Area	36,415 Sq.Ft
	Total FSI Incl. TDR	79,255 Sq.Ft
	Incentive Parking FSI	42,841 Sq.Ft
	Total FSI Incl. TDR & Parking FSI	122,096 Sq.Ft
	Society's existing Carpet Area Resi Incl balcony	34,830 Sq.Ft
	Existing BUA for Residential Incl balcony	40,055 Sq.Ft
	Society's Carpet Area Incl fungible for Resi to be given	47,021 Sq.Ft
	Total Carpet Area To be Given	47,021 Sq.Ft
	Total BUA to be given	54,074 Sq.Ft
	Total Available FSI	122,096 Sq.Ft
	Add: Fungible FSI Residential	42,734 Sq.Ft
	Total FSI Incl. Fungible	164,830 Sq.Ft
	Total Carpet Area available	143,402 Sq.Ft
	Society Existing BUA	40,055 Sq.Ft
	Society Existing BUA without balcony	36,413 Sq.Ft
	Fungible Area to Society Resi.	12,745 Sq.Ft
	Fungible Area to Developer Resi	29,989 Sq.Ft
	Total Carpet Area	143,402 Sq.Ft
	Total Area To Be Given excluding fungible	1,103 Sq.Ft
	Balance Carpet Area to the Developer Resi	96,381 Sq.Ft
	Construction Area (Society)	72,882 Sq.Ft
	Construction Area ( Sale )	149,391 Sq.Ft
	Construction Area ( PPL )	85,681 Sq.Ft
	Saleable Area Resi	149,391 Sq.Ft
	Saleable Area Comm.	0 Sq.Ft

Construction Period	36	Months
No. of Existing Society members	75	
No. of Parkings - Society	97	
No. of Parkings - Developer	199	
Total Parkings	296	

Outflow Workings				In Crs.
A)	TDR Area	42,841		
	TDR Cost from MCGM	46,179,144	3,266	4.62
	TDR Cost from Market	143,516,412	@ Rs./sq ft 5,000	14.38
	Premium for Fungible FSI (Resi)	97,957,395	3,266	9.80
	Premium for Fungible FSI (shop)	-	5,444	
	Stamp Duty Registration on extra area	8,231,192	5%	0.82
	Stamp Duty Registration & Service Tax	39,825,122		3.98
	Premium for PPL	170,503,200	80%	17.05
	<b>Total (A)</b>	<b>506,212,465</b>		<b>50.62</b>
B)	Cost of Approvals & Consultants			
	- Architect Fees	33,340,922	150	3.33
	- BMC & Other Misc. Charges	22,227,261	@ Rs./sq ft 100	2.22
	- PMC expenses/Brokerage/ Committee charges	5,000,000		0.50
	- Staircase/MOS/Others	33,650,427		3.37
	- open space	96,084,046		9.61
	<b>Total (B)</b>	<b>150,302,678</b>		<b>15.03</b>
	Shifting Charges	1,500,000	20000	0.15
	Corpus	52,245,000	1,500	5.22
	Rent Resi	81,502,200	65	8.15
	Brokerage	4,527,900		0.45
	Stamp duty on L/L	750,000	10,000	0.08
	<b>Total (B)</b>	<b>140,525,100</b>		<b>14.05</b>
C)	Construction Cost			
	Construction Cost (Society)	218,645,325	@ Rs./sq ft 3000	21.86
	Construction Cost PPL	171,362,860	@ Rs./sq ft 2000	17.14
	Construction Cost (Sale Portion)	478,051,313	@ Rs./sq ft 3200	47.81
	Construction of Parking Area	124,472,774	@ Rs./sq ft 1200	12.45
	Administration + Other Cost in Rs.	41,058,471	@ %age of Construction Cost 5.00%	4.11
	Bank Guarantee Charges	17,491,626	@ of Society Construction Cost 25.00%	1.75
	Marketing Cost in Rs.	47,805,131	@ %age of Sales Revenue 2.50%	4.78
	<b>Total of Construction Cost (C)</b>	<b>1,098,887,519</b>		<b>109.89</b>
	<b>Total (A+B+C)</b>	<b>1,895,927,760</b>		<b>189.59</b>
D)	INTEREST COST			
	Interest Construction & Related Cost	97,203,352	@ 16.0%	9.72
	Interest on TDR, Rentals & Corpus	188,508,400	@ 16.0%	18.85
	<b>Total Interest Cost (D)</b>	<b>285,711,752</b>		<b>28.57</b>
	<b>Total Cost</b>	<b>2,181,639,512</b>		<b>218.16</b>
	<b>In Crs.</b>	<b>218.16</b>		

With basements

545,452,548

Recovery			
	Rate	Amount	Break Even Price (PSF)
Recovery (Residential)	12,000	1,792,692,423	
Parking Revenue	600,000	119,512,828	
Total Revenue		1,912,205,251	
Total Cost		2,181,639,512	14,604
Profit/Loss		-269,434,261	-26.94
Profit/Loss in Percent		-12.35%	Avg. Selling Price
			12,800