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URAN-DRONAGIRI
ALIBAG
KARJAT-KHALAPUR-KHOPOLI

Ref. No. MCHI/PRES/22-23/110

Date : 28/3/2022

To,
Shri Eknath Shinde,
Honorable Minister,
Urban Development Department,
Government of Maharashtra,
Mantralaya, Mumbai - 400032.

महान्वर्ती टपाल केंद्र
नगर विकास विभाग मंत्रालय
अ. क्र.: ९९
दिनांक:

Subject: - Issues related to Additional Lease Premium (ALP) charged by CIDCO Ltd for Time Extension as per BR11885.

Respected Sir,

As per BR-11885 which was approved by board in 2017, CIDCO charges ALP on Time Extension for delay in construction after free construction period. These charges are extremely huge & a burden to the developers for Tender as well as 12.5% plots as per following points which may be considered:

1. ALP was introduced by CIDCO to deter developer's from holding on to plots & profiteering on land value appreciation. Market Rates of plots have remained stagnant for last 7/8years & today no developer would hold on to plots as an option for investment after paying huge sums of money as Lease Premium specially in this high interest regime.
2. ALP is being charged in 12.5% on Maveja amount which has come all of a sudden and is too huge. It is seen that this amount in some cases is 6 times more than market value of plot which is already paid by the developer. Since this has come as a surprise to most small & big developers, some developers who have started construction have gone into depression. Small developers as well as large ones need urgent help from CIDCO to overcome this huge problem. BR 11885 needs to be changed specially for holders of 12 1/2% plots, specially, those where suddenly huge & unimaginable compensations have been awarded by relevant courts.
3. The construction period granted as per terms of agreement to lease mandates utilization of FSI in order to avoid ALP for time extension. We request that the Projects being vertical high rise in nature in majority cases obtaining part OC without virtual completion by providing elevator and other amenities is highly difficult. We thus request you to consider Architect FSI utilization certification by verifying that the FSI has been consumed within construction period as per construction completed on site. Request not to insist on OC as most buildings are not habitable at such stage.
4. It is seen that 12.5% plots in developing nodes have various encumbrances' like presence of gas pipelines, live H.T lines etc. which are hazardous in nature & can be removed only by the concerned government agencies who have laid them. In such cases of government owned hazardous encumbrances developers are helpless & at the mercy of such government agencies for their removal. In such cases construction period should start from the date on which hazardous obstacles have been removed since plot becomes developable only then.

Maharashtra Chamber of Housing Industry

Maker Bhavan II, 4th Floor, 18, V. Thackersey Marg, New Marine Lines, Mumbai - 400 020.
Tel: 42121421, Fax: 4212 1411/407 Email: secretariat@mchi.net Website: www.mchi.net

5. The Rates at which ALP is charged for tender plots are also exorbitantly high and not at feasible at all for developers. Other Corporation like MIDC has reduced the ALP to 10% and so the rate of ALP should be reduced reasonably by CIDCO also.

6. Various other issues have cropped up like perpetuity of Maveja amount, date from which ALP should be charged, grant of NOCs for mortgage, society formation & deed of assignment pending ALP payment etc.

In view of the above it is imperative that in the interest of development of Navi Mumbai, since hundreds of projects are affected at various stages of construction, a fresh look be taken regarding levy of ALP on Tender as well as 12.5% plots. BR No 11885 needs to be replaced by a more acceptable document which will take care of the interest of developers, as well as CIDCO & ensure unhindered construction in Navi Mumbai.

Thanking you,

Yours faithfully
For **CREDAI-MCHI**



Boman Irani
President



Dhaval Ajmera
Hon. Secretary

CC:

Shri Bhushan Gagrani (I.A.S.),

Additional Chief Secretary,

Urban Development Department (I),

Government of Maharashtra,

Mantralaya, Mumbai - 400032

मध्यवर्ती टपाल केंद्र 28/3/22
नगर विकास विभाग मंत्रालय
अ. क्र.: 2E
दिनांक:

Dr. Sanjay Mukherjee (I.A.S.),

Vice Chairman & Managing Director,

CIDCO, Nirmal Bhavan,

2nd Floor, Nariman Point,

Mumbai - 400 021

CIDCO LTD.
Nirmal Mumbai
Received
Dt. Sm

28/3/2022