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KARJAT-KHALAPUR-KHOPOLI

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

Subject: Levy of ALP on Grant of Time Extension for non-utilization of FSI within stipulated time period as per Agreement to Lease.

Respected Sir,

In continuation to our representation dated 28th March 2022, we would like to further say that-

1. As per prevailing policy and practice, there is a levy of ALP once the stipulated time in the Agreement to Lease is exhausted and the Licensee has not completed construction by utilization of minimum of 75% of FSI of total permissible built up area. This completion is being insisted by obtaining an occupancy certificate from the concerned planning authority.
2. With the introduction of UDCPR 2020, all CIDCO plots are now eligible for additional FSI as the case may be. Thus most of the ongoing projects intending to develop with additional FSI will now face a major hurdle and huge penalty while utilizing such additional FSI since the project completion period will go beyond the stipulated period.
3. Since the intent of levy of ALP is to avoid holding land for future price gain and CIDCO wanted holistic development such penalty was introduced. In practice, it is highly impossible to obtain part OC to satisfy such condition as referred in Point 1 above.

We propose the following –

- a. An architect's FSI utilization Certificate be insisted instead of an Occupancy Certificate to determine the utilization of FSI as per the conditions of the Agreement to assess the levy of ALP. The built up area of a project consists of FSI and non- FSI area. This FSI utilization certificate will be issued by the Architect based on RCC and Brick Work completion upto the necessary floors to consume such mandatory FSI as per the terms of Agreement to Lease. Such architect certificates are also being considered by RERA and Banks for stage of completion of project. The projects also have a stipulated period of completion declared under RERA, thus the project once registered and commenced needs to be completed within this period.
- b. The MTS office shall, on submission of such Architects FSI utilization Certificate may independently verify the same through their concerned department (Survey Officer). Thereafter, eligible cases shall not be levied such ALP as their intent to develop the project has been established.
- c. Proposals which apply for additional FSI under UDCPR shall be granted additional time period in equivalence to the quantum of FSI and plot size the project is being developed upon. On similar lines to the proposed SOP suggested in points a and b for utilization of mandatory FSI, the licensee may produce further Architect Utilization Certificate within this additional period to avoid levy of ALP till completion of the project.

Maharashtra Chamber of Housing Industry

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- d. In total, the licensee shall complete the full project within the total period granted under the agreement to lease and the NOC for additional FSI. On successful completion of project with the Occupancy Certificate of the Planning Authority within the total period there shall be no levy of ALP.
4. As per prevailing BR 11885, the levy of ALP for grant of time extension is exorbitantly high, starting from 10% in the first year to 625% In the 12th year. Due to the levy of such high amount of ALP, the development of these plots in not viable. This defeats the entire purpose of application of ALP. Other land development authorities such as MIDC have rationalized the percentage of ALP to a maximum of 35%. Thus we request that the ALP rates be revised in order to allow the development of such plots. In majority cases, the market value of this plots is multiple times lower than the levied ALP amount.

We hereby propose the following –

- a. A onetime amnesty scheme for waiver be introduced wherein the due ALP shall be made 50% and allow participation of such Licensees to come forward and make the development of such plots viable.
- b. In an event this is approved, such plots will also be applying for additional FSI and generate revenue for CIDCO apart from clearing the old dues which today are notional and lead to high litigation and immense loss in revenue.
- c. Request for formation of Committee to look into our suggestion and submit the recommendation to government.

Thanking you and looking forward to your support.

Yours faithfully
For **CREDAI-MCHI**



Boman Irani
President



Dhaval Ajmera
Hon. Secretary

CC:

(1) Shri Bhushan Gagrani (I.A.S)
Additional Chief Secretary,
Urban Development Department (I),
Government of Maharashtra

(2) Dr. Sanjay Mukherjee (I.A.S.),
Vice Chairman & Managing Director,
CIDCO