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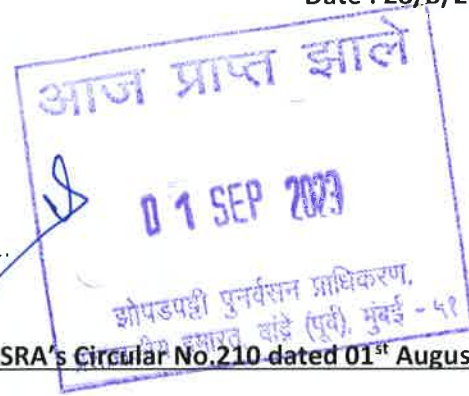
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Naman Shah

**PROCUREMENT CONVENOR**  
Nimish Ajmera

**WOMEN'S WING CHAIRPERSON**  
Sejal Goradia

Ref. No. MCHI/PRES/23-25/120  
Date : 28/8/2023

To,  
**Shri Satish Lokhande (I.A.S.),**  
Chief Executive Officer,  
Slum Rehabilitation Authority,  
New Administrative Building,  
Anant Kanekar Marg,  
Bandra (East), Mumbai-400051.



**Sub: Revocation of SRA's Circular No.210 dated 01<sup>st</sup> August,2023**

Respected Sir,

SRA has issued Circular No.210 stipulating certain guidelines regarding payment of Rent/ Displacement Compensation to slum dwellers for making arrangement of temporary transit accommodation, action to be taken in the cases of S. R. Scheme proposals of Developers/Firms and their Partners/Directors who have defaulted in making payment of rent compensation and regarding handing over of PAP/PTC tenements.

At the outset, we would like to submit that, we understand the gravity of timely payment of rent compensation to slum dwellers and agree that the same must be paid without any delay and/or default. However, we respectfully submit that the said circular in its present form would have a double negative impact, a) This circular may not help revive the schemes wherein transit rent is outstanding nor would it help in recovery of the Transit rent, b) Ongoing schemes where developers are paying timely Rent would also go into a tail spin as payment of 3 years Rent at one go would make all SR schemes economically unviable purely from a cash flow standpoint and also from a risk reward position wherein even 1 slum dweller/structure can derail a scheme for years at end by stalling the demolition process wherein the Developer would not be able to commence work in spite of providing for 3 years Rent.

**Under the Circumstances we suggest a twofold approach.**

- A) We request a formation of a "Reconciliation committee" consisting of CREDAI MCHI Representatives which would be Developers involved in developing slum schemes, Representatives from PEATA and also concerned Executive Engineers who would meet regularly to go through all schemes wherein Transit Rent is outstanding to ascertain whether Transit Rent is outstanding due to financial health of the Developer or due to other systemic problems plaguing the scheme. The Committee would try and resolve issues with respect to the scheme and bring it back on track.
- B) A new circular in lieu of the outgoing circular no 210 which would
- i) Not Penalise or cause additional hardship to Developers/projects who are not defaulters. Therefore, regular schemes where transit rent is not outstanding could continue to operate as before wherein transit rent would be decided mutually between developers, society and slum dwellers without intervention of SRA.

**Maharashtra Chamber of Housing Industry**

Maker Bhavan II, 4<sup>th</sup> 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](http://www.mchi.net)

CREDAI-MCHI CHAPTERS : THANE | KALYAN-DOMBIVLI | MIRA BHAYANDAR | RAIGAD | NAVI MUMBAI |  
BHIWANDI | PALGHAR BOISAR | SHAHAPUR-MURBAD | URAN-DRONAGIRI |  
VASAI VIRAR | ALIBAG | KARJAT-KHALAPUR-KHOPOLI | YOUTH NMR

ii) Penalty for outstanding Transit Rent would be scheme specific and not Developer specific. It may be appreciated that not all cases of outstanding Rent may be attributed to financial health of the Developer. For example in some cases after payment of Transit Rent, let's say want of defense NOC has stalled the project. No Developer has deep enough pockets to pay rent for 7-8 years without any resolution in sight.

iii) Recovery of PAP/PTC is an altogether separate issue which shouldn't be clubbed with Transit Rent issue. The slum dwellers in a large SR scheme become eligible in phases and if the PAP are handed over to SRA, it would be detrimental to the interests of slum dwellers becoming eligible later as the SRA may give away those PAPs to outsiders required to be relocated for completion of an urgent project. This would defeat the in-situ rehabilitation axiom of the Slum Act.

Under the Circumstances we humbly request you to forthwith withdraw the said Circular no 210 and embark on the twofold approach in the interest of both the stuck projects and the regularly functioning projects.

Thanking you,

Yours sincerely,  
For **CREDAI-MCHI**



**Domnic Romell**  
President



**Dhaval Ajmera**  
Hon. Secretary

**PS: Contact Person Mr. Sanjay Phope : + 91 9619345193**



**SLUM REHABILITATION AUTHORITY**

No. SRA/ELC/D-1/ T-1/ 439/2023

Date: -1 AUG 2023

**Circular No. 210**

**Subject:** Non-acceptance of fresh proposals of defaulting Developers/Firms and their Partners/Directors.

Recently, it is noticed that the complaints regarding non-payment of rent have been drastically increased. There are 2 Public Interest Litigations in Hon'ble High Court being PIL No.109 of 2019 in respect of transit rent and PIL No.35 of 2019 in respect of PAP/PTC tenements. The Hon'ble High Court has expressed displeasure and expressed the view that the Slum Rehabilitation Authority should take urgent necessary steps. In order dated 19.07.2023 in PIL No.109 of 2019 the Hon'ble High Court has given various directions, these directions are partly complied with by Slum Rehabilitation Authority. The Hon'ble High Court has further observed that the Slum Rehabilitation Authority should take proactive measures to deal with the grievance regarding non-payment of transit rent. Further additional affidavit is required to be filed and apprise the Hon'ble High Court of the steps taken by Slum Rehabilitation Authority. The paragraph No.6 & 7 of order are as under;

*"6. As far as the contention of Respondent No.9 and the SRA that the whenever there is a grievance, the societies of the slum dwellers are approaching the courts of law and, therefore, calling information from them is not necessary is concerned, this is obviously not a solution and efforts should be made by the statutory authorities that the slum dwellers do not need to approach the courts of law with a grievance of non-payment of transit rent and this is why the SRA should take proactive measures as above.*

*7. This initiative be taken before the next date and the SRA will apprise the Court of the steps taken, by way of an additional affidavit."*

The Housing Department, Government of Maharashtra through letter dated 06.06.2023 has directed that Slum Rehabilitation Authority should ensure that the developers shall deposit 2 years advance rent

and post-dated cheque for rent of 1 year. Presently, the arrears of rent are to the tune of Rupees 620 Crores approximately.

In view of above following measures shall be taken henceforth;

1. The developer shall submit the bar chart stating the number of slum structures required to be demolished for construction of rehab building and area of plot at the stage of Annexure-III (Before issue of Letter of Intent to the fresh as well as revised schemes).
2. The developer shall deposit the advance rent of 2 years and post-dated cheque for remaining period of completion at the stage of Annexure-III.
3. The Executive Engineer/SRA shall process the proposal of developer for issue of LOI only on depositing the advance rent.
4. The developer shall submit phase wise programme of entire scheme mentioning therein the number of slum structures required to be demolished in each phase. The Executive Engineer shall ensure deposit of the advance rent of each phase before granting further permissions.
5. The commencement certificate for sale component shall be issued in proportion to the amount of rent deposited by the developer.
6. No new proposals of defaulting developer/firms and its partners/directors in respect of payment of transit rent shall be accepted unless all dues are cleared.
7. The defaulting developers/firms and its partners/directors shall not entitle to be appointed as developer irrespective of consent of society, in existing proposals of S. R. Schemes wherein the previous developers are terminated.
8. The of developers of S. R. Schemes, who have failed to handed over PAP/PTC tenements to Slum Rehabilitation Authority shall not be entitle to submit the new proposal of S. R. Scheme.

9. The Executive Engineer shall ensure that the PAP/PTC tenements are earmarked in approved plans at the time of IOA.
10. The Executive Engineer shall incorporate a condition in LOI regarding execution of registered agreement by developer in respect of PAP/PTC tenement in favour of Slum Rehabilitation Authority before issue of further sale C.C.
11. The Executive Engineer shall restrict the sale C.C. of last 25% as contemplated in regulation 17(3)(D)(b)(6) of DCPR 2034 till the PAP/PTC tenements are duly handed over to Slum Rehabilitation Authority.

The above directions shall be followed scrupulously.



**Chief Executive Officer**  
**Slum Rehabilitation Authority**