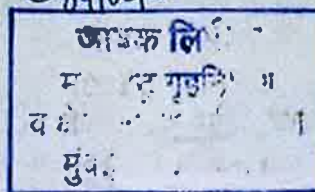


Ref. No. MCHI/PRES/24-25/219

Date: 8/1/2025

o/c
09/01/2025

To,
Shri Sanjeev Jaiswal (I.A.S.),
Vice President and Chief Executive Officer,
MHADA
4th Floor, Grihnirman Bhavan,
Kala Nagar, Bandra (E), Mumbai-400051



Sub: Conveying land to Redeveloped projects on free hold basis subject to payment of one time premium.

Respected Sir,

Reference is requested to the Minutes of the Meeting held with the then Hon'ble Minister of Housing on 21.01.2020 with Representatives of the MCHI CREDAI. (Copy Enclosed). In the said meeting amongst other issues the representative of MCHI CREDAI had raised the issue with Hon Min, with regards to the ability of the developer to raise finance for redevelopment of the project. The representative of MCHI CREDAI stated that banks do not grant loan as the leasehold tenure of the MHADA land is only for 30 years and in most cases either the lease has not been executed and if executed the lease has expired. In the said meeting the Hon'ble had directed MHADA to examine the issue and submit proposal to the Government. Reference is also requested to the meeting held with the then Hon'ble Minister with representatives of MCHI CREDAI on 09.02.2021. (Copy Enclosed). In the said meeting this issue was raised once again. The then Hon'ble Minister in principle agreed with the demands of the MCHI and directed MHADA to examine this issue further and submit proposal to the Government.

The MCHI has represented on several occasions that it is difficult to raise Bank Financing for redevelopment projects as banks are seeking security of lands for grant of financial assistance but in case of MHADA lands as the same is leased by MHADA to the society no security can be created. Despite several efforts to convince the banks, the banks are reluctant to provide financing for redevelopment projects of MHADA as land is not offered as security. MCHI has further submitted that recently the SRA has in its meeting chaired by the then Hon'ble Chief Minister agreed to convert the free sale component of MHADA lands (Owned by the Government) on Class I basis so that the Slum Redevelopment can be expedited and security in favour of lenders to such projects can also be expedited.

MHADA has 112 layout including transit camps in Mumbai City. Many of these layouts are not yet fully redeveloped. Redevelopment of the MHADA colonies result in collection of premium and/or housing stock as provided under the DCPR 2034. As per the DCPR 33(5) of the DCPR 2034, FSI 3.00/4.00 is available on plot owned by MHADA.

It is therefore submitted that, MHADA may convey the plots to the societies/organization once the redevelopment is completed, subject to payment of premium as contained in Government Notification (GR no. Jamin.2018/CR 90/J-1 dated 8th March 2019) and for which an in-principal approval be granted at the time of granting of NOC. The actual conveyance on ownership basis shall be done only after MHADA has received the premium/built up area that MHADA is entitled to under DCPR 2034 and rehab component

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

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

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Naman Shah

PROCUREMENT CONVENOR
Nimish Ajmera

WOMEN'S WING CHAIRPERSON
Jesal Shah

is completed. Moreover, MHADA being the planning authority in respect of the land, shall always be entitled to all premiums for any incremental FSI in the future in case the land is again redeveloped in the distant future. Such a decision will be in consonance with the Government policy which has recently been implemented by CIDCO and such a step will provide great relief to lakhs of residents in MHADA layouts across the state.

Thanking you,

Yours sincerely,
For CREDAI-MCHI



Domnic Romell
President



Dhaval Ajmera
Hon. Secretary

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

महाराष्ट्र शासन

क्रमांक: बैठक-२०२०/प्र.क्र.३२/गृनिप

गृहनिर्माण विभाग,

हुतात्मा राजगुरु चौक, मादाम कामा रोड,

मंत्रालय, मुंबई ४०० ०३२.

दिनांक:- ०३ फेब्रुवारी, २०२०.

प्रति,

१) उपाध्यक्ष तथा मुख्य कार्यकारी अधिकारी,
महाराष्ट्र गृहनिर्माण व क्षेत्रविकास प्राधिकरण,
गृहनिर्माण भवन, कलानगर,
वांद्रे (पू), मुंबई

३) मुख्य अधिकारी,
मुंबई ईमारत दुरुस्ती व पुनर्रचना मंडळ,
गृहनिर्माण भवन, कलानगर,
वांद्रे (पूर्व), मुंबई.

५) श्री. बोमन ईराणी (सचिव),
महाराष्ट्र चेंबर्स ऑफ हाऊसिंग इंडस्ट्री,
मेकर भवन ॥, ४ था मजला, १८, व्ही.
ठाकरसी मार्ग, न्यु मरीन लाईन्स, मुंबई

७) श्री. विनोद गोयंका (सदस्य),
महाराष्ट्र चेंबर्स ऑफ हाऊसिंग इंडस्ट्री,
मेकर भवन ॥, ४ था मजला, १८, व्ही.
ठाकरसी मार्ग, न्यु मरीन लाईन्स, मुंबई

२) मुख्य अधिकारी,
मुंबई गृहनिर्माण व क्षेत्रविकास मंडळ,
गृहनिर्माण भवन, कलानगर,
वांद्रे (पू.), मुंबई

४) श्री. नयन शाह (अध्यक्ष),
महाराष्ट्र चेंबर्स ऑफ हाऊसिंग इंडस्ट्री,
मेकर भवन ॥, ४ था मजला, १८, व्ही.
ठाकरसी मार्ग, न्यु मरीन लाईन्स, मुंबई

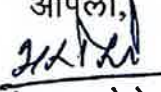
६) श्री. शाहीद बलबा (सदस्य),
महाराष्ट्र चेंबर्स ऑफ हाऊसिंग इंडस्ट्री,
मेकर भवन ॥, ४ था मजला, १८, व्ही.
ठाकरसी मार्ग, न्यु मरीन लाईन्स, मुंबई

विषय :- MCHI-CREDAI यांचे निवेदनाच्या अनुषंगाने बैठक.

महोदय,

MCHI-CREDAI यांचे निवेदनाच्या अनुषंगाने मा. मंत्री (गृहनिर्माण) यांच्या अध्यक्षतेखाली मंगळवार, दि.२१.०१.२०२० रोजी त्यांच्या A-३ बंगला येथील निवासस्थानी बैठक आयोजित केली होती. सदरहू बैठकीच्या इतिवृत्ताची प्रत यासोबत जोडून पाठविण्यात येत आहे.

सहपत्रे-वरीलप्रमाणे

आपला,

(मुं. उ. भरोसे)

कक्ष अधिकारी, महाराष्ट्र शासन

प्रत,

- १) मा. मंत्री (गृहनिर्माण) यांचे खाजगी सचिव, मंत्रालय, मुंबई
- २) अपर मुख्य सचिव (गृहनिर्माण), यांचे स्वीय सहायक, मंत्रालय, मुंबई
- ३) अवर सचिव (दुवपु-१), गृहनिर्माण विभाग, मंत्रालय, मुंबई
- ४) निवडनस्ती (गृनिप)

Meeting Minutes

The Meeting under chairmanship of Hon'ble Housing Minister was held on 21.01.2020 at A-3 Bungalow opp Mantralaya. The following were present for the meeting.

Shri Sanjay Kumar	A.C.S. (Housing)
Shri Milind Mhaiskar	VP & CEO/MHADA
Shri R. K. Dhanawade	Dy. Secretary, Housing Dept., Mantralaya
Shri M. R. Parkar	Under Secretary, Housing Dept., Mantralaya
Shri Nayan Shah	Representative of MCHI & CREDAI
Shri Boman Irani	
Shri Vinod Goyanka	
Shri Shahid Balwa	

The MCHI / CREDAI has given representation regarding the issues related to redevelopment in MHADA colony.

The meeting was conducted on the said representation & the detailed discussion took place in said meeting. The point wise directions given by Hon'ble minister are as under

Sr. No.	Issues Raised by MCHI-CREDAI	Hon. Ministers Direction	Action to be taken by
a)	Government decision vide Notification bearing No.TPB/4319/189/CR No./123/2019/UD-11 dated 20 th August 2019 should be applicable to all ongoing projects and premium should be recalculated for the entire project including for NOC issued prior to 20 th August 2019, including in case where premium is partly paid. For example If the premium as per offer letter issued prior to 20 th August 2019 is Rs.100 and Rs.50 is paid and the reduced premium is Rs.75 then in such case the developer should be liable to pay only Rs. 25 to MHADA	The Premium for additional Built up area shall be charged for ongoing project as per notification dated 20.08.2019, So that level playing field between ongoing and new projects is maintained. Mhada to issue fresh offer letters to all ongoing projects as per Government notification.	MHADA
b)	The Government vide the above notification had waived levy of development cess /off site infrastructure charges. However in cases where offer letter has been issued but no payment made, in such cases MHADA is insisting for payment of off-site infrastructure charges. The same is against the Government policy. Therefore in all such cases where LOI is issued prior to the Government Notification but payment not made by developer, fresh offer letter is to be issued without levying any off-site infrastructure charges.	The revised offer letter to be issued as per the notification dated 20.08.2019 for those who have not paid any charges as per offer letter, as per Government Policy.	MHADA

c)	SRA vide Circular No. CEO/SRA 4598 dated 6/8/2019 has permitted payment of various charges, premiums etc. without levy of interest. As per sub-Rights 6 of the DCPR-33(5), MHADA projects are at par with SRA. Therefore no interest should be levied on the premium, levies, development charges etc. levied by MHADA.	Mhda shall examine the matter in terms of financial implication and if necessary, proposal may be sent to Government.	MHADA
d)	MHADA has permitted payment of premium under DCPR 33(5) in 4 annual instalments at interest rate of 12% vide Resolution No. 6749 of 11/07/2017. However, the CC is linked to payment of instalment. For Example if 25% of the premium is paid only 25% CC is issued. However the MCGM vide Circular dated 17/09/2019 bearing No. CHE/DP/14770/Gen has permitted payment of all premium by 5 to 6 annual instalments depending on the height of the building. It is submitted that MHADA for FSI premium under DCPR 33(5) should follow the MCGM policy of 5 to 6 annual instalments. Also as per the MCGM policy CC is not restricted and only OC is restricted.	Mhda shall frame a policy in this regard, so that developers are able to tide over the liquidity crunch, on the line of a 20:80 policy where 20% premium is paid upfront & Commencement Certificate for the full potential is issued. 80% premium is to be on Occupation Certificate. Developer should provide sale flats as security. And Mhda should charge interest as per MCGM policy. Before Occupation Certificate developer should pay 100% premium to Mhda. Adequate safety /security for Mhda should be there and accordingly policy to be formulated within 7 days & submitted for approval of the Government.	MHADA
e)	As the MHADA projects involve construction of Rehab buildings and Sale buildings in Phase wise manner, occupation certificate based on the percentage of premium paid should be granted. For example if 50% premium is paid then 50% occupation certificate must be granted.	The OC to the proportionate BUA for which the amount of premium is paid shall be issued.	MHADA
f)	The Government vide above notification has allowed reduction in premium for 2 years. However, as the premium is paid in instalments beyond 2 years, MHADA is insisting to either pay full premium in 2 years or pay higher premium for instalments paid after 2 years. It is submitted that MHADA's decision in this regard is contrary to the spirit of the Government decision. It is submitted that once a project is given an offer letter (revised or new) and the developer pays the 1 st instalment within the window of 2 years then in such case the reduced premium shall apply for the entire duration of the project including for instalments of premium to be paid beyond 2 years.	In this regard MHADA shall frame a policy, So that benefit of notification is given to all projects which are started within the window period to ensure level playing field and relief to ongoing projects as per MCGM policy in respect of projects under DCR 33.	MHADA

g)	MHADA vide its recommendation dated 25 th July 2019 had recommended reduction by 50% the premium levied for FSI under DCPR 33(5). It is submitted that the Government vide above notification reduced the premium only by 25%. It is submitted that the premium levied by MHADA is very high and should be reduced by 50% as recommended by MHADA.	Mhada / Housing Dept. shall take up this issue with Urban Development Department.	1) MHADA 2) Housing Dept. 3) Urban Development Department.
h)	MHADA vide its recommendation dated 25 th July 2019 had recommended that the incentive sale FSI against the Rehab component be brought on par with DCPR 33(9), as MHADA would like to have cluster redevelopment of its colonies. However urban Development Department has not yet approved MHADA's request.	Mhada / Housing Department shall take up this issue with Urban Development Department.	1) MHADA 2) Housing Dept.
i)	It was submitted that developers are facing a severe liquidity crunch and after payment of 1 st instalment are unable to pay further instalments. It was submitted that in some cases, after approval of the project and occupants are vacated, due to slowdown in sales for want of funds developers are not able to pay the 1 st instalment and/or the subsequent instalments. It was submitted that due to NBFC crises developers are also not able to raise funds. In view of the same it was submitted that MHADA should allow such projects to proceed by taking a mortgage/lieu of the sale area and the premium so payable can be recovered in due course as and when the stock is sold. This will help developers tide over the liquidity crises and speed up completion of existing and new projects.	As per decision taken for point "d".	MHADA
j)	It was submitted that currently MHADA grants 30 year lease to the Housing Societies and which may be renewed in the future. However it was submitted that when redevelopment is undertaken and new building is constructed, the buyers are not comfortable to buy flats in a lease hold land. It was therefore submitted that on the lines of the Government decision vide GR no. Jamin.2018/CR 90/J-1 dated 8 th March 2019 wherein the government has permitted conversion of Class II tenure land to Class I tenure, on payment of premium, MHADA should also adopt the same so that the land can be given to the newly redeveloped society on Class-I basis, subject to payment of premium. This will also reduce MHADA liability in the future.	MHADA shall examine this proposal and submit report to Government.	MHADA

k)	It was submitted that, MHADA has developed 56 large colonies across Mumbai. However, the layout in accordance with DCPR-2034 has not been approved for many colonies. As a result the redevelopment of the societies in such colonies is held up. It was submitted that currently MHADA has a separate Building proposal (BP) department which approves the plan and the Mumbai Board approves the layout. However in the MCGM the plans as well as layout are approved by the Building Proposal (BP) department. This expedites the process of approval. It is therefore submitted that MHADA should follow the MCGM system and layout should be approved by the BP dept. Also a 90 day time line should be fixed for approval of all layouts.	The final decision regarding layout approval for redevelopment proposal shall be done within 45 days by Mhada as per MCGM Policy.	MHADA
l)	It was submitted that MHADA was appointed SPA to expedite approvals of redevelopment of its colonies. However currently a developer has to first approach the Mumbai Board for NOC/offer letter and thereafter approach the BP department of MHADA for approval. In both cases the file is finally approved by VP MHADA. As such no time saving has been achieved. In view of the same it is submitted that all approvals including NOC/Offer Letter/IOD/CC/OC etc. should be approved by the BP cell within a time bound period of 30 days from date of submission. This will achieve the objective of appointing MHADA as SPA to expedite redevelopment.	To promote ease of doing business the MHADA should process all permissions for redevelopment under 33(5) in single window manner. The MHADA shall process the proposal in 45 days. The approval system for entire 33(5) proposal shall be followed as per MCGM.	MHADA
m)	MHADA vide letter dated 27th June 2019 has requested the Revenue Department to charge nominal stamp duty of Rs.1000/- in respect of redevelopment project undertaken on MHADA land. The submission is based on the fact that in case of MHADA land, MHADA is the owner of the land whereas the Society is the lessee. The developer is only acting as a contractor as the developer does not become the owner or lessee of the land and therefore charging of stamp duty based on market value price is counterproductive to the process of redevelopment. Request of MHADA was based on the fact that vide Notification dated 20th June 2019, the Revenue Department has notified that in respect of MCGM land undertaken for redevelopment, nominal stamp duty of Rs.1000/- will be levied. There has been no response	Mhada / Housing department shall take up this issue with Revenue Department.	1) MHADA 2) Housing Dept.

	from the Revenue Department in this regard. In view thereof it is requested that the Housing Department take up this issue with the Revenue Department and issue notification on the same line of MCGM for charging nominal stamp duty in respect of redevelopment of MHADA land		
n)	Under DCPR 33(5), MHADA has prescribed the minimum area for rehabilitation and the said area is based on the existing rehabilitation area. MHADA has further provided for incentive incremental area i.e. to say if the layout is larger than the rehabilitation tenement size is also larger. However, while computing the premium payable in respect of FSI to be paid to MHADA, MHADA is only deducting the existing built up area and not the actual rehabilitation area. For e.g. if the existing tenement size is 150 sq.ft and the minimum prescribed rehab area is 400 sq.ft, MHADA demands payment for the 250 sq.ft area difference as a premium from the developer. It is respectfully submitted that the rehabilitation area is prescribed by the Government and to charge for the rehabilitation area is completely contrary to the spirit of the regulation. In view of the same it is submitted that MHADA should deduct the actual rehab area and charge premium only for the area available for sale.	The point raised is principally accepted. MHADA to take necessary action in this regard and forward to proposal to Government, if required.	MHADA

After the vote of thanks meeting is concluded.