

OK

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2025-2027

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Alka Doshi

CREDAI - MCHI

Ref. No. MCHI/PRES/26-27/019

Date: 5/5/2026

To,

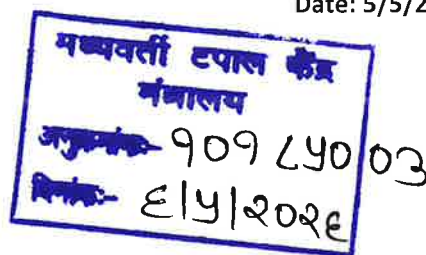
Shri Assem Kumar Gupta (I.A.S.)

Additional Chief Secretary,

Urban Development Department,

Government of Maharashtra,

Mantralaya, Mumbai 400 032



SUB: Representation by CREDAI-MCHI - Recovery of Surplus Area under Regulation 33(7) of DCPR 2034: Suggestions for a Categorized Resolution Framework with Linkage to the OC Amnesty Scheme (Abhay Yojana).

REF: (i) GOM Letter No. लोलेस-2018/प्र.क्र.116 (भाग-1)/दुवपु-1 dated 18.02.2025 issued by the Housing Department, Government of Maharashtra, addressed to the Vice President & CEO, MHADA, regarding recovery of Surplus Area and penalty from defaulting developers under Regulation 33(7).

(ii) GOM Circular No. TPB-4325/1827/P.No.150/2025/Navi-11 dated 11.12.2025 issued by the Urban Development Department, Government of Maharashtra, regarding the Revised Amnesty Scheme (Abhay Yojana) for grant of Occupation Certificate to buildings occupied without obtaining the required OC (the "OC Amnesty Scheme").

Respected Sir,

We refer to the Government of Maharashtra's letter dated 18.02.2025 (Ref. (i) above), wherein the Housing Department addressed MHADA on the long-pending issue of recovery of Surplus Area from defaulting developers / owners under Regulation 33(7) of DCPR 2034. We note that the said letter follows deliberations of the Committee constituted under the chairmanship of the Additional Chief Secretary (Urban Development / Housing), which met on 13.01.2026 at Nirmal Bhavan, Nariman Point, Mumbai.

We also take note of the Revised OC Amnesty Scheme (Abhay Yojana) notified vide GOM Circular No. TPB-4325/1827/P.No.150/2025/Navi-11 dated 11.12.2025 (Ref. (ii) above), issued by the Urban Development Department for grant of occupancy to buildings occupied / used without obtaining the required Occupation Certificate.

CREDAI-MCHI, as the apex body representing the real estate development industry in Maharashtra, acknowledges that non-handover of Surplus Area is a long-standing and serious compliance concern across numerous 33(7) schemes in Mumbai and it is necessary to constructively resolve the issue. At the outset, MHADA and the Housing Department is requested to adopt a categorization-based resolution plan to bring these matters to finality.

As a first and essential step, MHADA / the Housing Department should identify and segregate all defaulting 33(7) schemes into two categories:

- (i) **Category A — Completed Schemes:** Schemes wherein the Rehabilitation Component and Sale Component are completed in all respects, and the Surplus Area has not been handed over to MHADA and / or has been sold or alienated in a fraudulent manner, rendering physical handover no longer feasible.

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- (ii) **Category B — Ongoing Schemes:** Schemes wherein the Rehabilitation Component and / or Sale Component is ongoing or yet to be completed, and the Surplus Area has not been handed over and / or construction thereof is pending, but BUA remains available within the scheme.

For **Category A** schemes, where physical handover of Surplus Area is no longer feasible, we suggest that MHADA consider the following alternatives:

- (i) **Alternate Area Surrender:** Allow the Developer to identify and surrender equivalent Surplus BUA / land in the **same ward or an adjoining ward**; OR
- (ii) **Monetary Premium in Lieu:** Allow the Developer to discharge the Surplus Area obligation by payment of a **premium at 125% of the prevailing Ready Reckoner rate** (Residential) applicable to the ward in which the scheme is located, as a full and final settlement in lieu of the Surplus Area to be handed over.

For **Category B** schemes, we propose the following framework:

- **Directed Handover with Registered Undertaking:** MHADA may direct the Developer to hand over the Surplus Area within 36 months from the date of such direction, backed by a registered undertaking to that effect, to be executed before MHADA prior to any further permissions.
- **In addition to the above, levy Time Value Compensation (TVC) Penalty:** To account for the delay and value accretion in the Surplus Area, MHADA may levy a "**Time Value Compensation**" (TVC) penalty, computed as 50% of the difference between the Ready Reckoner value of the Surplus Area at the date of 33(7) NOC issuance and its Ready Reckoner value at the date of OC issuance. The TVC Penalty shall be recovered prior to issuance of OC in the scheme.

ILLUSTRATION — TIME VALUE COMPENSATION (TVC) PENALTY:

Surplus Area to be handed over	= 1,000 Sq. M
Ready Reckoner Rate (Residential) at date of 33(7) NOC	= Rs. 1,00,000 / Sq. M
Value at NOC = 1,000 Sq. M × Rs. 1,00,000	= Rs. 10,00,00,000 /- ... (A)
Ready Reckoner Rate (Residential) at date of OC	= Rs. 1,50,000 / Sq. M
Value at OC = 1,000 Sq. M × Rs. 1,50,000	= Rs. 15,00,00,000 /- ... (B)
Appreciation in Value (B) – (A)	= Rs. 5,00,00,000 /-
TVC Penalty @ 50% of Appreciation	= Rs. 2,50,00,000 /-

We also respectfully draw MHADA's attention to the Revised OC Amnesty Scheme (Abhay Yojana) notified by the Urban Development Department vide Circular No. TPB-4325/1827/P.No.150/2025/Nav-11 dated 11.12.2025. The said Scheme provides for grant of occupancy to buildings occupied / used without OC, and has extended its datum line to cover buildings where construction permission was granted before 17.11.2016 (prior to the implementation of Fungible FSI).

Several completed or near-completed 33(7) schemes fall squarely within the ambit of this Amnesty Scheme — they are occupied / in use, yet unable to obtain OC due to a combination of outstanding Surplus Area obligations, procedural non-compliances, and documentation deficiencies. CREDAI-MCHI strongly urges MHADA and the Housing Department to take cognizance of the OC Amnesty Scheme and tailor their Surplus Area recovery framework accordingly.

In an effort to achieve the objectives of the Revised OC Amnesty Scheme, for project's under Reg.33(7), it is proposed that for NOC for OC be expeditiously be granted by MHADA for Category A project's if the abovementioend conditions are fulfilled and further also grant NOC's for Category B scheme's wherein Developer is ready and willing to pay the entire TVC penalty upfront subject to executing a registered agreement to hand over the Surplus Area within 36 months.

In view of the above, CREDAI-MCHI submits that the proposed framework and the existing OC Amnesty Scheme would enable MHADA to recover Surplus Area or equivalent monetary value across all pending 33(7) schemes without any loss to MHADA, while simultaneously providing a long-overdue resolution to rehabilitated cess/non cess tenants, flat purchasers, and developers alike. We remain available for any further deliberations or presentations that MHADA / the Housing Department may find useful.

Yours sincerely,
For CREDAI-MCHI

A handwritten signature in blue ink, appearing to read 'Sukhraj Nahar', is located below the typed name.

Sukhraj Nahar
President