CREDAI - MCHI

मध्यवर्ती टपाल केंद्र
मुख्यमंत्री सचिवालय

Ref. No. MCHI/PRES/26-27/032
Date: 23/6/2026

To,
Shri Devendra Fadnavis
Hon'ble Chief Minister of Maharashtra
Government of Maharashtra
Mantralaya, Mumbai – 400 032

महाराष्ट्र शासन
मंत्रालय, मुंबई ४०० ०३२
24/6/26

Sub: To bring Parity on land premium on Municipal Tenanted Plots of BMC for Redevelopment under 33(9) on par with other schemes of development like 33(7) on BMC lands

Dear Sir,

We, on behalf of our stakeholders, would like to represent to you the need to boost real estate development of municipal tenanted plots and leasehold plots of BMC under cluster redevelopment schemes of 33(9) of DCPR 2034.

Our key objective is to establish a transparent and equitable policy for the recovery of premiums on municipal tenanted plots undergoing redevelopment under various DCPR provisions (33(7) and 33(9)), ensuring consistency, fairness, and adherence to established guidelines and precedents.

Further During and post construction there will be higher revenue from various Premiums, Charges, LUC and Finally through property Taxes which will be perpetual on account of promotion of Redevelopment on Municipal tenanted plots by bringing them on parity of Collector plots for lease conversion and development.

Key Policy Provisions ned modification

1. **Parity in Premium Recovery Across Redevelopment Projects**
   - **DCPR 33(7):**
     - Currently, no premium is recovered for incentive cases.
     - For cases utilizing FSI 3.00, FSI sharing is implemented.
   - **DCPR 33(9):**
     - **Proposed recovery by BMC: 40% on municipal tenanted plots and 20% on BMC leasehold plots as per ICR No. 35 dated 19.07.2022 and CR No. 603 dated 22.07.2022. This is based on the Land Acquisition Act (LAQ), which is an inappropriate act to apply, as there is no acquisition of land but rather a development on a PPP model.**
   - **Policy Adjustment:**
     - Premium recovery across all redevelopment projects must align to avoid inconsistencies and promote equity.
     - BMC should adopt a unified approach where premiums are rationalized across similar projects, considering the public-private partnership (PPP) nature of these developments.

2. **Appropriate Reference Framework**
   - BMC's current reference to the Land Acquisition Act (LAQ) for encumbered property is inappropriate, as this is not an acquisition but a redevelopment partnership.
   - Municipal lands under encroachment or encumbrance are not generating revenue for BMC at present.
   - **Benefits of Redevelopment:**
     - Significant revenue generation for BMC through premiums, concessions, fees, and departmental charges.
     - Perpetual increase in property tax revenue, potentially 1000% higher than current levels.
   - **Proposed Framework:**
     - The Government of Maharashtra's **Maharashtra Land Revenue (Conversion of Occupancy Class-II and Leasehold Lands into Occupancy Class-I Lands) Rules, 2019** should serve as a model for premium recovery.

3. **Adoption of Maharashtra Government's 2019 Policy**
   - **Standard Premium Rates:**
     - Up to 3 years: 15% of the land's value as per the Annual Statement of Rates (ASR).
     - After 3 years: 60% of the land's value.
   - **Self-Redevelopment:**
     - Premium at 5% of land value for societies opting for self-redevelopment.
   - **Non-Self-Redevelopment:**
     - Premium at 10% of land value for other redevelopment projects (valid for one year).
   - **Proposed Adaptation for BMC:**
     - Adopt similar premium structures for municipal tenanted plots undergoing redevelopment.
     - Replace the proposed 40% premium with rates aligned to the Maharashtra Government's policy for parity and fairness.

4. **Premium Recovery on Sale Component Only**
   - The premium should be levied only on the **sale component land parcel** after deducting:
     - Land for amenities, setbacks, and reservations handed over to BMC.
     - Land component for the rehabilitation component.
     - Land component BUA for reservations/PAP handed back to BMC.
   - This ensures fair practice and avoids double levying of premiums on public amenity or non-sale portions.

5. **Reference to MHADA 79A Act and Court Orders**
   - The MHADA 79A Act allows for the acquisition of land at 25% of the ASR value in the case of dilapidated buildings.
   - Court orders have established that the value of encumbered land in redevelopment cannot exceed 25% of the land's ASR value.
   - However, if the land is given on lease, the applicable premium should be 50% of the ASR value, aligning with legal precedents and best practices.

6. **Economic Benefits to BMC Through Premiums, Property Tax, LUC etc. and many other charges**
   - By facilitating redevelopment, BMC gains substantial long-term benefits:
     - Direct revenue from premiums and charges and LUC
     - Long-term perpetual revenue through significantly increased property taxes on entire area constructed.
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   - Redevelopment on municipal tenanted plots, therefore, should be incentivized with a fair and reasonable premium policy.

7. **Policy Revisions and CR References**
   - Revaluate and amend the policy in ICR No. 35 dated 19.07.2022 and CR No. 603 dated 22.07.2022 to reflect the principles of equity and fairness outlined in this document.

Sr.NO	Description	Provision in 33(7)	Provision in 33(9)
A	**Municipal**		
1	Premium on Land	Nil	40% X land Area x 1.33
2	One time Premium for add FSI beyond incentive - in either sharing or CV	a) Incentive case NIL premium b) FSI 3.0 case - on surplus area beyond incentive 100% of RR as CV value	a)incentive case Nil B) FSI 4 scheme - sharing of surplus area with MHADA - no CV - only sharing of area in same building or same ward of area having equal value
B	**Lease Hold Plots**		
1	Land from developer to	Plot Area x 1.33 X 10%	Plot Area x 1.33 X 10%
2	land Charges other than above	Nil	20% X land Area x 1.33
3	One time Premium for add FSI Beyond incentive	a) Incentive case NIL premium b) FSI 3.0 case - on surplus area beyond incentive50% of RR as one time premium	a)incentive case Nil B) FSI 4 scheme - sharing of surplus area with MHADA - no CV - only sharing of area in same building or same ward of area having equal value

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In light of the above, we earnestly request the Government to consider exempting land premium for Municipal tenanted plots developed under Reg. 33(9), bringing it at par with the provisions of Reg. 33(7). This alignment will encourage developers, benefit tenants, enhance BMC revenues, and contribute to a better-planned Mumbai.

We remain hopeful for your favourable consideration in the interest of balanced urban growth and redevelopment.

Conclusion: This policy aims to harmonize premium recovery practices for municipal tenanted plots, ensuring fairness, transparency, and alignment with government precedents. The adoption of the Maharashtra Government's 2019 rules, MHADA 79A Act provisions, and court judgments ensures equitable treatment of all redevelopment projects while maximizing revenue potential for BMC through redevelopment-driven economic activities.

Sir, we sincerely request you to consider our request for a hearing and modify the said policy on equitable grounds, as the earlier policy made in 2022 was based on an incorrect reference to the Land Acquisition Act. This is not a case of acquisition but redevelopment for the larger good of BMC's encumbered properties and assets, which will generate substantial revenue for BMC if an appropriate policy is formulated.

Thanking You,

Yours Sincerely,
For CREDAI-MCHI

Sukhraj Nahar
President

Rushi Mehta
Hon. Secretary