

C I R C U L A R

Sub: Policy guidelines to charge additional premium in the case of fungible FSI/additional FSI under D.C.Reg.33 granted by Govt. of Maharashtra redevelopment of plots belonging to M.C.G.M. (Lease hold plots/ tenanted property) at par with the utilization of TDR as lease hold plots policy approved by Improvement Committee/ Corporation

**PREFACE :**

There are 4176 plots given on lease by the then City Improvement Trust/ MCGM with various lease tenures such as 30 years, 60 years, 99 years, 120 years, 999 years and Imperpetuity. These plots have been leased out by allowing specific user with a specific free permissible built up area.

**A) Development as per Zonal permissible FSI (DCR-32)**

Whenever lessee proposes to avail additional benefits than mentioned in the ICR /CR / Agreement to lease / Lease deed such as change of user, to consume additional BUA beyond free permissible area and within zonal permissible FSI, a policy has been approved by the Improvement Committee / Corporation vide resolution under no. 37 dtd 27.07.2000 and 733 dtd 24.11.2000 respectively to recover the extra ground rent. As per the said policy extra ground to be recovered per annum / one time premium is calculated as under :

Premium / sq.mtr. = Current Market Rate of land/ sq.mt. X 25%  
Of additional BUA Permissible FSI (1.33)

Extra Ground Rent/ annum = Premium/ sq.mtr. x addl. BUA x 15%

One time premium = 7.5 times of annual extra ground rent

The current market rate for computing extra ground rent is the Ready Reckoner Rates of developed land prevailing on the date of administrative sanction for the additional built up area.

- Recover two stages –
- i) 50% at the time of NOC to C.C
  - ii) 50% at the time of NOC to O.C.

**B) Redevelopment under DCR 33(7)**

In Island City area, Cess bldg. are being reconstructed or redeveloped by the landlord and / or Co. Operative Societies as per D.C. Regulations 33(7) of 1991. The FSI permissible as per latest amendment under No. TPB 4308 / 3224 / CR-268 / 08 / A / UD-11 dtd. 21.05.2011 will be maximum of 3.00 of the gross plot area or the FSI required for rehabilitation for existing occupiers plus incentives thereon as per Appendix-III. Clause-5 (a) and 5(d). In the 33(7) redevelopment the main emphasis is given for rehabilitation of tenants on ownership basis and incentives are given to subsidize the cost required for rehabilitation as well as transit arrangement during the period of redevelopment. The property redevelopment Association represented that the one time premium / extra ground rent required to be paid as per the above policy is exorbitant which will defeat the very purpose of 33(7). Therefore a policy was approved by the Improvement Committee / Corporation for recovering the one time premium vide resolution under no. 186 of 23.09.2002 and 1026 of 03.10.2002 respectively. As per the said policy one time premium to be recovered is as under.

$$\text{Premium / sq.mtr.} = \frac{\text{Current market rate of land / sq./mtr.}}{\text{Permissible FSI in the area}} \times 50\%$$

Of additional BUA

$$\text{One time premium} = \text{Premium / sq.mtr.} \times \text{additional BUA}$$

The current market rate for computing one time premium will be 80% of the SDRR of developed land on the date of administrative sanction for the additional built up area.

This one time premium is recovered in two stages i.e. 50% at the time of NOC to C.C. and balance 50% at the time of NOC to O.C.

**C) Utilization of TDR as per DCR 34 :**

The Govt. of Maharashtra while sanctioning the Development Control Regulations under the provisions of M.R. & T.P. Act 1966, has introduced the concept of T.D.R (Transferable Development Right) for the same. The development right against T.D.R. is granted to the owner/ lessee as per various D.C. Regulations viz. D.C. Regn. 34, 67, 33(7), 33(10) etc. The utilization of T.D.R. is permissible on the plots which are situated in "receiving zone" of T.D.R. as per the said regulations.

The MCGM has allotted plots to various private owners / Municipal employee's society, educational / medical institutions etc. in City as well as

Eastern and Western Suburbs of Mumbai limits on lease. Some of these plots are situated in T.D.R. receiving zone where utilization of T.D.R. is permissible as per D.C. Regulation. On such Municipal leasehold plots, the N.O.C. of Estate Deptt. of M.C.G.M is mandatory for granting permission for utilization of T.D.R. so as to recover the share of unearned income in the capacity of a lessor. Accordingly, the policy guidelines for granting permission for utilization of T.D.R. on Municipals lease hold plots was approved by the Improvement Committee / Corporation vide resolution under No.131 dtd 09.11.2006 and 981 dtd 02.12.2006 respectively. As per the said policy one time premium to be recovered is calculated as under :

Sr. No.	Description	Premium to be recovered
1	Lands leased to Co-operative society of municipal employees and to any other private lessee for residential purposes.	Chargeable built up area X 5% of ready Reckoner rate of developed land prevailing on the date of administrative sanction obtained by Estate Deptt. for granting NOC to Commencement Certificate to load TDR on municipal lease hold plots.
2	Lands leased for other purposes i.e. other than mentioned in serial No. 1] i.e. industrial, commercial other non-residential user, educational, medical, welfare purposes undertaken by Regd. Public Charitable trust etc.	Chargeable built up area X 10% of ready Reckoner rate of developed land prevailing on the date of administrative sanction obtained by Estate Deptt. for granting NOC to Commencement Certificate to load TDR on municipal lease hold plots.
3	For Utilization of heritage TDR in city limits of Mumbai	Same as proposed in Sr. No. 2) above

The ready reckoner shall be rate of developed plan prevailing on the date of administrative sanctioned obtained by the Estate Dept. while granting NOC to Commencement Certificate to load TDR on leasehold plots. The said premium is recovered before NOC to C.C.

**D) Additional Premium towards fungible compensatory FSI :**

The Govt. of Maharashtra has modified D.C.Reg. u/No. CMS-452/CR-58/2011/UD-11 of 06/01/2012 and granted fungible compensatory FSI under D.C.Reg. 35 (2) & 35 (3). As per new modification of D.C.Reg. 35 (4), premium at the rate of SDRR on fungible compensatory FSI will be charged at the rate of 60%, 100% & 80% towards Residential, Commercial & Industrial respectively. The said premium is to be recovered by the planning authority i.e. Bldg, Proposal Deptt or S.R.A. as the case may be. As per said

modification, fungible compensatory FSI can be useable as regular FSI. The premium for fungible compensatory FSI for the rehab component is not applicable therefore while calculating the premium to be recovered the fungible FSI utilized for rehab component will be allowed without charging premium on leasehold plots to avoid the additional burden.

Whenever lessee proposed to utilized TDR on leasehold plots a very nominal premium as per the scale enumerated in para C at pg. 2-3 is charged. Since the fungible compensatory FSI can be utilized as a regular FSI, a premium at the scale of TDR policy shall be recovered in single installment before granting NOC to C.C.

**E) Premium to be recovered in case of D.C. reg. 33(2), 33(16), 33(24) etc.:**

An additional FSI is granted to the Bldgs. of Educational & Medical Institutions & Institutional Buildings, Building of information technology establishment, Development of Public Parking Lots, For Religious Buildings as per D.C. reg. 33(2), 33(16), 33(24) respectively. These additional FSI are available on making payments of premium as decided by Urban Development Dept of Govt. of Maharashtra and is being shared by MCGM and State Govt. These are the additional potentials proposed to be utilized on the leasehold plots which are not being generated out of the plot potential when the plots are given on lease. Therefore these are to be treated at par with the TDR and the premium for such additional BUA shall be recovered as per the scale specified in the TDR policy. Such premium shall be recovered in single installment before granting NOC to C.C..

Sd/-29.2.12  
Ex. Eng. (Estate)

Sd/-29.3.12  
A.C.(Estate)

SD/-2.4.2012  
Dy. Ch. Eng. (P.P.P.P)

Sd/-  
D.M.C. (Improvement)

Sd/-  
A.M.C.(E.S.)

Sd/-18.4.2012  
Municipal Commissioner

No. AC/Estates/ 1420 /A. E. (Imp)-II of 14 .05.2012

Copy is Submitted for information please.

*g. h. s.*  
*10/14/5/12*

Asstt. Commissioner (Estate)

1. D.M.C. (Imp)
2. D.M.C. (Zone -I)
3. D.M.C. (Zone -II)
4. D.M.C. (Zone -III)
5. D.M.C. (Zone -IV)
6. D.M.C. (Zone -V)
7. D.M.C. (Zone -VI)
8. D.M.C. (Zone -VII)
9. D. M. C. (Education)
10. Chief Engr (D.P.)
11. Chief Engineer (SWM)
12. Chief Engineer (SWD)
13. Asstt Commissioner (A- Ward)
14. Asstt Commissioner (B- Ward)
15. Asstt Commissioner (C- Ward)
16. Asstt Commissioner (D- Ward)
17. Asstt Commissioner (E- Ward)
18. Asstt Commissioner (F/South- Ward)
19. Asstt Commissioner (F/North- Ward)
20. Asstt Commissioner (G/South - Ward)
21. Asstt Commissioner (G/North- Ward)
22. Asstt Commissioner (H/East- Ward)
23. Asstt Commissioner (H/West- Ward)
24. Asstt Commissioner (K/East- Ward)
25. Asstt Commissioner (K/West- Ward)
26. Asstt Commissioner (L- Ward)
27. Asstt Commissioner (M/East- Ward)
28. Asstt Commissioner (M/West- Ward)