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Item No
Board Meeting No.
Date of Meeting
Sponsoring HOD

09
550
27/8/2013
M(TS III)

- A) Sub: The permission sought by the Licensees/Lessees to undertake the re-construction by demolishing the existing structure on the plots allotted to them
Policy to be framed.
- B) Issue for consideration: To prepare a policy for giving permission for reconstruction of the buildings, i.e. to demolish the existing structure and in lieu thereof, to re-construct new building.

- C) Nature of approval :

Appraisal Note	Allotment	Adm. Approval	Financial Approval/Award of work	Policy	Others (Pl. specify)
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- D) Details about the proposal :

(1) Background :- Subject to the provisions made in the Navi Mumbai Disposal of Lands (Amendment) Regulations, 2008 (earlier, the NBDLR 1975), CIDCO allots the plots of land. After fulfilling the terms and conditions of the allotment, the Agreement to Lease are being executed and the license to enter upon the said land to fulfil the terms and conditions of the said Agreement to Lease is being given. The Agreement to Lease basically prescribes the conditions for obtaining the development permission, commencing and completing construction, extension of construction period (if the construction is not completed within the stipulated period), the use of the plot, the payment of service charges, the powers conferred upon CIDCO, in case of breach of the condition/s of the Agreement to Lease etc. Therefore, the Agreement to Lease provides for the initial development of plot and not for the demolition of the existing structure and then re-construction of new one.

Once the Licensee fulfils the terms and conditions of the Agreement to Lease, the Lease Deed of the land and the building constructed thereon for the term of 60 years from the date of execution of the Agreement to Lease, are being

executed. The Lease Deed interprets that the plot and structure erected thereon belongs to CIDCO, which is demised by CIDCO to the Lessee for the limited purpose to use the same for which it is allotted. As stipulated in the Lease Deed, the Lessee cannot make any excavation, erect any building, structure or otherwise make any alterations or additions in the existing building/s without the prior written permission of CIDCO.

In nutshell, during the subsistence of the Agreement to Lease, if the Licensee or during the subsistence of the Lease Deed, if the Lessee wants to demolish the existing structure and in lieu thereof, to re-construct new structure, they have to obtain prior written permission of CIDCO. Now a days, the Licensees/Lessees are coming forward for such permission. Presently, the Estate Dept. does not have a policy to give permission for demolition of existing structure and for re-construction of new one. Therefore, the present proposal is initiated to frame the policy for giving permission to the Lessee/Licensee to demolish the existing structure and re-construct new structure.

(2) Prevailing provisions for initial development of plot and for grant of extension :-

- (a) The Licensee has to complete the construction within the period stipulated in the Agreement to Lease.
- (b) If the construction is not completed within such period, as provided in the Agreement to Lease and in the NBDLR 1975/NMDLR 2008, the Licensee has to obtain an extension of construction period on payment of additional lease premium (ALP) at the rates determined by CIDCO from time to time.
- (c) The amount of ALP is based on the original lease premium paid and to the extent of un-consumed FSI upto 75% for Residential + R+C and 50% for social facility plots for plots allotted in Navi Mumbai. In case of the social facility plots, if the Occupancy Certificate is obtained for minimum 50% of the FSI allowed and in case of other plots, if the Occupancy Certificate is obtained for minimum 75% of the FSI allowed, no ALP is payable for giving extension of construction period to consume balance FSI.

(3) The reasons for re-construction of building/s :-

- (a) In some cases of bungalow plots (specifically at New Panvel), the Licensees/Lessees have obtained the Occupancy Certificate for the meagre area of even 19.00 m² and executed the Lease Deed. In such cases, the incumbents obtains

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from the ATPO the development permission to construct a building consuming entire FSI allowed in the Agreement to Lease, resultantly to the extent of an area for which OC is already obtained, it amounts to re-construction of building.

(b) Sometime, after obtaining the Occupancy Certificate for the FSI allowed in the Agreement to Lease (or part thereof), the incumbents want to demolish the existing structure for various reasons, such as due to the dilapidated condition of structure, with an intention to re-construct a building with new design etc. which amounts the re-construction of building.

(c) In case of grant of the additional FSI, if the Licensee/Lessee cannot consume additional FSI without demolishing of the existing structure, the re-construction of the building consuming total FSI is necessitated.

(d) If the building/s is declared as dilapidated,

(4) Salient features of policy proposed :

It is proposed that, for seeking permission for demolition of existing structure and for construction of new structure, the Licensee/Lessee shall have to fulfil the terms and conditions of the respective Agreement to Lease/Lease Deed, including the condition to obtain extension on payment of ALP to consume residual FSI. The specific period of Four years for demolition and for re-construction of new building by taking the due approval of the respective Town Planning Officer is proposed without the Additional Premium. If the re-construction is not completed within the stipulated period, it is proposed to grant extension on recovery of the Additional Premium and it is proposed to charge the additional premium as follows:-

Sr. No.	Period from the date of expiry of the Four years re-construction period granted	ALP to be worked out as per prevailing Base Rate at the time of grant of time extension
1.	Upto 1 year	10%
2.	For Second year	20%
3.	For Third year	30%
4.	For Fourth year	40%
5.	For Fifth year	55%
6.	For Sixth year	70%
7.	For Seventh year	85%
8.	For Eight year	100%

Note : The Additional Premium is proposed to be worked out as per the 'Base Rate prevailing at the time of grant of time extension; in case of Social Facility

Plots the additional lease premium is to be worked out as per the Reserve Price prevailing at the time of grant of extension.

Now, there will be two possibilities as stated below:

- 1) The Licensee/Lessee has not consumed minimum FSI prescribed to grant extension without the payment of ALP to consume residual/balance FSI (50% in case of plots allotted for Social facility & 75% for all other plots) and requested for the permission for re-construction of existing structure.

In such cases, it is proposed to first grant extension of construction period to consume residual FSI on payment of Additional Lease Premium as per the general policy framed from time to time for grant of extension prescribed in the Agreement to Lease. Such extension shall be obtained by the Licensee/Lessee at a time, till the efflux of Four years being granted for re-construction, so that the period allowed for re-construction of existing structure and the period allowed for consumption of residual/balance FSI shall be one and the same. If the re-construction and the consumption of residual FSI is not completed within the period of Four years, it is proposed to grant extension for entire area on payment of the Additional Premium as per this policy.

- 2) The Licensee/Lessee has constructed minimum FSI prescribed to grant extension without the payment of ALP to consume residual/balance FSI (50% in case of plots allotted for Social facility & 75% for all other plots) and requested for the permission for re-construction of existing structure.

In such cases, the extension to consume the residual/balance FSI will be granted without recovery of the additional premium. However, the extension shall be obtained by the Licensee/Lessee at a time, till the efflux of Four years being granted for re-construction, so that the period allowed for re-construction of existing structure and the period allowed for consumption of residual/balance FSI shall be one and the same. If the re-construction and the consumption of residual FSI is not completed within the period of Four years, it is proposed to grant extension for entire area on payment of the Additional Premium as per this policy.

The terms and conditions proposed for granting permission for demolition of existing structure and for re-construction of new structure are annexed hereto as Annexure-A and Annexure-B.

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- E) Financial Implication: The lease premium proposed to recover as per this policy.
- F) Legal Requirements/Implications/Provisions: N.A.
- G) Date of approval of the Agenda Note by the VC&MD/Jt.MD: 08.06.2013
- H) Whether continuation of Deferred item/or Fresh Item: Fresh item.
- I) Whether to provide the Board Note and Board Resolution under: Yes
RTI Act, 2005

The Board is hereby requested to peruse the proposal and if approved, pass the following resolution, with or without modifications, please.

DRAFT RESOLUTION NO.

"RESOLVED THAT the policy for giving permission for demolition of existing structure/building/s and for re-construction of new structure/building/s, as proposed above in the Agenda Note and on the terms and conditions stipulated in Annexure-A and Annexure-B appended hereto, be and is hereby approved."

"RESOLVED FURTHER THAT the VC&MD/Jt.M.D. be and are hereby authorized to implement the above resolution."

Initiated by: Signature :

Name


S.D. Patil

Designation : Manager (Town Services-III)

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Item No. 9 / 550 BM : Permission sought by the Licensees/ Lessees to undertake the re-construction by demolishing the existing structure on the plots allotted to them - policy to be framed.

After discussion, the Board unanimously passed the following Resolution:

RESOLUTION NO. : 10885

(As modified while confirmation of the Minutes on 12.9.2013)

"RESOLVED THAT the policy for giving permission for demolition of existing structure/building(s) and for re-construction of new structure/building(s), as proposed in the Agenda Note and on the terms and conditions stipulated in Annexure-A [except point (a)(iii)] & Annexure-B appended to the Agenda Note now forming part of this minutes, be and is hereby approved."

"RESOLVED FURTHER THAT at the time of seeking permission for demolition of existing structure and for construction of new structure, the Licensee/Lessee shall have to fulfill the terms and conditions of the respective Agreement to Lease/Lease Deed, including the condition to obtain extension on payment of ALP to consume residual FSI. The specific period of Four years for demolition and for re-construction of new building by taking the due approval of the respective Town Planning Officer is to be taken without the additional premium. If the re-construction is not completed within the stipulated period, it is proposed to grant extension on recovery of the Additional Premium, as follows:

Sl. No.	Period from the date of expiry of the initial four years	ALP to be worked out as per prevailing base rate at the time of grant of time extension
1	Upto 1 year	10%
2	For Second year	20%
3	For Third year	30%
4	For Fourth year	40%
5	For Fifth year	55%
6	For Sixth year	70%
7	For Seventh year	85%
8	For Eighth year	100%



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"RESOLVED FURTHER THAT for giving permission for re-construction of new structure/ building(s), Development Charges shall be levied as per the provision of Section 124(E) [as mentioned below] of the Maharashtra Regional & Town Planning Act, 1956, irrespective of how old is the structure/ building(s)."

124E (1) – Any person who, after the commencement of the MR&TP (Amendment) Act, 1992, intends to carry out any development or institute or change any use of any land or building for which permission is required under this Act, whether he has applied for such permission or not, or who has commenced carrying out any such development or has carried out such development or instituted or changed any such use, shall apply to the Authority within such time and in such manner as may be prescribed, for the assessment of development charge payable in respect thereof.

(2) The Authority shall, on such application being made or if no such application is made, by a person instituting or changing any use of any land or building, then after serving a notice in writing on the person liable to such payment and after calling for a report in this behalf from the concerned officer of the Authority, after taking into consideration the report aforesaid, determining whether or not and if so, what development charge is leviable in respect of that development or, institution of use or change of use, and after giving the person concerned an opportunity to be heard, shall then assess the amount of development charge payable by such person and give to such person a notice in writing of such assessment:

Provided that:

- (a) where permission under this Act has not been granted for carrying out the said development, the Authority may postpone the assessment of the development charge;
- (b) where the application relates to the carrying out of any development, the Authority may refuse to assess the amount of development charge payable by such person concerned unless it is satisfied that the applicant has an interest in the land or building sufficient to enable him to carry out such development or that the applicant is able to acquire such interest and that the applicant shall carry out the development within such period as the Authority may determine.

(3) The amount of Development charge as shown in the notice of assessment shall be paid within thirty days of the date of receipt thereof by such person and where the amount has not been so paid or has been partly paid an interest at the rate of eighteen per cent, per annum upon any amount outstanding shall be payable from the date immediately following the date on which the period of thirty days as aforesaid expires till the date of payment of such amount.

(4) The Authority shall, in regard to the area lying within its jurisdiction, collect all development charge due to under this Act in respect of any development in that area.

(5)(a) The development charge, together with interest, if any, payable in respect of any land or building shall, subject to the provisions of sub-section (6), be the first charge on such land or building, subject to the prior payment of land revenue, if any, due to the Government thereon.

(b) The development charge payable in respect of any land or building by any person shall, together with interest due up to the date of realization, be recoverable from such person of this successor-in-interest in such land or building, as arrear of land revenue.

(6) Notwithstanding anything contained in sub-section (5) where a promoter as defined in clause (c) of Section 2 of the Maharashtra Ownership Flats (Regulation of the promotion of construction, sale,



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(management and transfer) Act, 1963, intend to carry out any development or institute or change any use of any land or building, the liability to pay the development charge in respect of any such land or building and interest, if any, shall be that of such promoter; and any amount of such development charge and interest remaining outstanding shall, without prejudice to any other mode of recovery thereof available against such promoter, be the first to any other mode of recovery thereof available against such promoter, be the first charge on any other property which he owns or in which he has a right, title or interest, (in which case such charge shall be limited to the extent of his such right, title or interest), subject to the prior payment of land revenue, if any, due to Government thereon."

"RESOLVED FURTHER THAT all Statutory/Government clearances, requirements shall be obtained by the Lessee prior to obtaining, permission for re-construction."

"RESOLVED FURTHER THAT the Board do and hereby authorise VC&MD / Jt.MD/ M(TS-III) to implement the above Resolutions."



To...M(TS-III)...Date: 29.10.2013

Approved by the Board vide

Resolution No. 10885 dated 28.08.2013

subject to modifications shown above.

Draft Agenda Note/Underlying Papers/

Files etc. are returned here with

[Signature]
Company Secretary

ANNEXURE-A

General conditions for giving permission to the Licensees/Lesseees for demolition of existing structure for which Occupancy Certi. is obtained & for re-construction of new bldg.

(a) Applicability of the policy :-

This policy is applicable to the bldg./s constructed by the Licensees/Lesseees by obtaining the allotment of plots from CIDCO, including the plots whereon CIDCO has constructed school/hospital bldg. and then allotted with the bldgs. constructed thereon (and is not applicable to the bldg./s constructed by CIDCO having multiple units, which are disposed off to the individual buyers), provided that;

- (i) Building/s is/are declared dilapidated OR
- (ii) The additional FSI is sanctioned to the plot, which additional FSI cannot be consumed unless the existing structure is demolished OR
- (iii) After completion of minimum 15 years period from the date of grant of Occupancy Certificate, the Licensee/Lessee want to demolish the existing structure and re-construct new building.

(b) Other conditions for giving permission for re-construction of building :

- (i) The concerned Lessee/Licensee shall pay entire dues of CIDCO.
- (ii) The Licensee/Lessee shall obtain the development permission from the concerned Town Planning Officer and shall commence and complete the construction strictly in accordance with the provisions made in the respective GDCR/DCR.
- (iii) No change of use will be allowed during the course of construction.
- (iv) Relaxation of any Covenant of Lease Deed/relaxation of any conditions of the Agreement to Lease/Modified Agreement will not be allowed.
- (v) In case the building is occupied in common (i.e. Licensee/Lessee being Co-op. Society, Maintenance Company, in which case the units are allotted/sold to the individuals for their own use), all occupants should have to submit the affidavit, thereby confirming their consent for seeking permission for re-construction of building.
- (vi) In case of re-construction of building for Educational, Health use and the buildings of essential services, the Licensee/Lessee shall not suspend the present activities and in such case the Licensee/Lessee shall have to give an Undertaking thereto, alongwith the details of the alternate arrangement made to continue the facility.
- (vii) If the re-construction of existing building is involved due to grant of the additional FSI to the plot in question, to the extent of original FSI this policy shall apply, whereas the construction of additional FSI shall be governed as per the provisions made in the Modified Agreement executed thereto.
- (viii) In case the building is occupied in common (i.e. Licensee/Lessee being Co-op. Society, Maintenance Company, in which case the units are allotted/sold to the individuals for their own use), the re-construction will be allowed on the specific condition that, after re-construction the total number of units shall not be less than present number of units. However, if the

re-construction of existing building involves the increase in present number of units, the Lessee/Licensee shall obtain prior written permission of CIDCO, which will be governed by the relevant policies framed thereto from time to time, including the policy of the Transfer Charges.

- (ix) If the re-construction is not completed within the stipulated period, the extension on payment of Additional Premium be given by considering that the re-construction will be completed in all respect and the Occupancy Certificate will be obtained atleast before the efflux of Ten years from the date of expiry of the lease period.
- (x) During the course of re-construction, the Lessee/Licensee shall continue to pay to CIDCO the Service Charges. If the Service Charges are leviable on the built-up area, after completion of the re-construction and after obtaining the Occupancy Certificate thereof, the Service Charges shall be levied on the total built-up area determined after re-construction.

ANNEXURE - B

Details of construction period and extension to be granted for reconstruction of building/s

(1) In case the Lease Deed is executed;

(A) If the Lessee has consumed minimum FSI prescribed to grant extension without the payment of ALP to consume residual FSI (50% in case of plots allotted for Social Facility and 75% for all other plots),

(i) Permission be given to demolish the existing structure and to reconstruct new building/s thereon consuming the total FSI permitted, within the period of Four years from the date of giving such permission.

(ii) If the construction is not completed within the period of Four years prescribed at (i) above, the Lessee shall have to obtain extension of construction period on payment of Additional Premium for entire area. For first Four years extension, the Additional Premium shall be worked out @ 10% and for Fifth year to Eight year extension, the Additional Premium shall be worked out @ 15% of the value of the plot as arrived at;

(a) the Reserve Price prevailing at the time of granting such extension (without appreciating the same due to corner location and road width), for the plots allotted under the Social Facility Category and for plots allotted to Central Govt., State Govt. & their fully owned Undertakings.

(b) the Base Rate suggested in the Land Pricing Policy (Base Rate includes appreciation due to corner location and road width) prevailing at the time of granting such extension, for all plots, excluding the plots stated at (a) above.

(iii) The rates of Additional Premium are cumulative and extension of time be given for One year at a time. However, if the construction is at final stage of completion and the extension of time covers a part of the year, the Additional Premium be calculated in proportion of months, instead of a full year.

(iv) Before the efflux of Four years period referred at (i) above or before the efflux of further extension, as the case may be, the Lessee shall submit in writing in advance its request for extension of construction period. If the request for extension is not submitted in writing in advance in the concerned dept., the Additional Premium will be charged @ 1.5 times of the amount of Additional Premium arrived at (ii) above.

(v) In case of plots of Social Facility use and plots allotted to Central Govt., State Govt. & their fully owned Undertakings, if the reconstruction consuming 50% of the FSI is completed & in case of all other plots, if the reconstruction consuming 75% of the FSI is completed, the extension to consume balance FSI will be given without the payment of ALP.

(B) If the Lessee has not consumed minimum FSI prescribed to grant extension without the payment of ALP to consume residual FSI (50% in case of plots allotted for Social Facility and 75% for all other plots) and need to obtain extension on payment of ALP to consume residual FSI.

(2) In case the Lease Deed is not executed;

(A) If the Licensee has consumed minimum FSI prescribed to grant extension without the payment of ALP to consume residual FSI (50% in case of plots allotted for Social Facility and 75% for all other plots),

(B) If the Licensee has not consumed minimum FSI prescribed to grant extension without the payment of ALP to consume residual FSI (75% in case of plots allotted for Social Facility and 50% for all other plots) and need to obtain extension on payment of ALP to consume residual FSI.

(i) Firstly the Lessee shall have to obtain extension of construction period to consume residual FSI on payment of Additional Lease Premium as per the general policy framed from time to time for grant of extension prescribed in the Agreement to Lease. Such extension shall be obtained at a time till the efflux of Four years being granted for re-construction, so that the period allowed for re-construction of existing structure and the period allowed for consumption of residual FSI shall be one and the same.

(ii) After compliance of (i) above, the permission be given to demolish the existing structure and to reconstruct new building/s thereon, as well as to consume residual FSI within the period of Four years from the date of giving such permission.

(iii) Thereafter, the procedure will be followed as stipulated in (ii) to (v) of 1(A) above.

(i) The Licensee shall have to obtain the Lease Deed by complying the conditions as may be required thereto and shall have to register the same with the Sub-Registrar.

(ii) After compliance of (i) above, the procedure will be followed as stipulated in (i) to (v) of 1(A) above.

(i) Firstly the Licensee shall have to obtain extension of construction period to consume residual FSI on payment of Additional Lease Premium as per the general policy framed from time to time for grant of extension prescribed in the Agreement to Lease. Such extension shall be obtained at a time till the efflux of Four years being granted for re-construction, so that the period allowed for re-construction of existing structure and the period allowed for consumption of residual FSI shall be one and the same.

(ii) After compliance of (i) above, the permission be given to demolish the existing structure and to reconstruct new building/s thereon, as well as to consume residual FSI within the period of Four years from the date of giving such permission.

(iii) Thereafter, the procedure will be followed as stipulated in (ii) to (v) of 1(A) above.