



BOARD NOTE

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|-------------------|---------------------------|
| Item No | 09 |
| Board Meeting No. | 624 |
| Date of Meeting | 07.02.2020 |
| Sponsoring HOD | Manager (Town Services-I) |

A) **Subject:** A consolidated policy to determine the rates of Additional Lease Premium for grant of additional FSI and/or Change of Use for various types of Users.

B) **Issues for Consideration:-**

- Vide Board Resolution No. 10775 dated 16.03.2013, the Board has approved a comprehensive policy to determine the rates of additional lease premium for granting permission to consume different types of FSI.
- Subsequently the Govt. vide its various government resolutions, has approved policies for grant of additional FSI for Education, Health, Hotel and IT use.
- Further the prevailing policy of the Corporation did not include uses such as Religious plots, Service industry plots, godown and warehousing plots.
- In order to avoid reference to multiple policies on the same subject, to include all permissible users and to provide more clarity to the existing policy for better implementation of the same, it now proposed to review and revise the prevailing policy and prepare a consolidated policy to determine the rates of Additional Lease Premium for grant of additional FSI for various types of Users and for Change of User.

C) **Nature of Approval :**

| Appraisal note | Allotment | Administrative approval | Financial approval | Policy | Other (please specify) |
|----------------|-----------|-------------------------|--------------------|--------|------------------------|
| ---- | ---- | ---- | ---- | ✓ | ---- |

D) Details of proposal:-

1. Background:

- As per the New Bombay Disposal of Lands Regulation 1975, as amended vide The Navi Mumbai Disposal of Lands (Amendment) Regulations, 2008 (NMDLR 2008) the Use and FSI for every lease is specified. As per the Regulation 11 (vi) of NMDLR 2008 - User of Land and consumable FSI:- *Every lease shall specify user and FSI permitted to the demised premises, which shall not be changed/ increased without the prior written permission of the Corporation and without the payment of prescribed additional premium and other charges.*
- Accordingly the Corporation has framed the policy for grant of additional FSI and Change of User for various users from time to time. The BR No. 10775 dated 16.03.2013 is the prevailing policy in this regard. **Refer Annexure I**

2. Reasons for review of BR No. 10775 dated 16.03.2013:

- a) The BR No 10775 had provision for grant of Additional and Residual FSI for following categories:
- i. Residual FSI for CIDCO constructed buildings.
 - ii. Plots allotted for R, R+C, Hotel, IT and Commercial Use.
 - iii. Open plots or plots with School building allotted for all types of educational use.
 - iv. Open plots or plots with Hospital Building allotted for Health Use.
 - v. Institutional buildings of Govt or public Authorities or Charitable Trusts
 - vi. Plots allotted to Central or State Govt and their fully owned Undertakings
 - vii. Starred category Residential Hotels
 - viii. Information Technology land use in any Zone, other than RPZ.
- b) The BR No 10775 had no provision for permitting change of user, for certain permissible change of user under the provision of DCRs of the respective Planning Authorities, namely for Religious plots, Service industry plots, godown and warehousing plots.

In case of warehousing plots, the Govt. vide its notification no TPB-432001/1185/CR-107/2004-UD-II dated 27.05.2004 modified the provisions under 14.4.4(BB) and permitted mercantile land use within the warehousing Zone. Accordingly the Board vide BR No 9381 dated 10.02.2006 approved the broad policy framework for permitting mercantile use in the Warehousing Zone at Vashi. **Refer Annexure II.** However the said policy, was not included in the BR No 10775 dated 16.03.2013.

- c) Further the BR No 10775 has a separate provision for Institutional buildings of Govt. or Public Authorities or Charitable Trusts. This is a conflicting provision if the use is also considered. For example pt. 4 of Annexure A of the said BR specifies a rate of 50% of Base Price for Health plots but pt. 5 specifies a rate of 35% for Registered Charitable Trusts for medical use. In order to remove such ambiguities, it is now proposed to prepare the policy on the basis of existing and proposed use only and not on the type of legal entity of the Licensee.
- d) The Govt. vide its Directives dated 14.03.2016 has approved a policy for grant of additional FSI for Education, Health and Hotel use which is based on Ready Reckoner Rates and specifies sharing of revenue with the Govt. **Refer Annexure III.** The details of rates as applicable for Navi Mumbai are briefly as follows:

| Sr. No. | Type of user | Premium as % of Ready Reckoner rates |
|---------|---|--------------------------------------|
| 1 | Educational: | |
| | a) Primary School, Secondary School | 20% |
| | b) College/ Educational institutes | 30% |
| | c) Special Educational Institutes for physically handicapped/ mentally ill. | 10% |
| 2 | Medical: | |
| | a) Hospitals, Maternity | 30% |
| | b) Private Medical Institutions | 40% |
| 3 | Commercial: | |
| | a) 2 to 4 Starred Category Hotels | 40% |
| | b) 5 Starred Category Hotels | 50% |

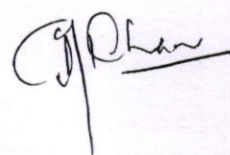
The said policy also specifies various special conditions for the grant of such additional FSI namely specifying free treatment and number of beds for

G. Chauhan

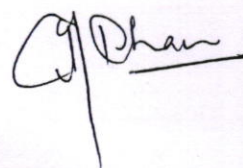
economical weaker sections etc in case of hospitals, reservation of seats for admissions, free/ concessional education in case of educational institutions. Further the monitoring of these conditions by such institutions is the responsibility of the Director of Health Services and Director of School Education, Higher and Technical Education respectively.

As per these directives, out of the total premium, 50% of the amount is to be paid to the Government and balance 50% shall be paid to the respective Authorities.

- e) In case of grant of additional FSI for IT/ITes use, the prevailing policy is the Govt Resolution dated 15.07.2016. This policy is based on Ready Reckoner Rates and specifies sharing of revenue with the Govt. **Refer Annexure IV.** As per this policy, the rate is 30% of Ready Reckoner rate for Navi Mumbai. The sharing percentage is 50% between the Planning Authority and 50% with Government.
- f) Regarding Religious plots, the Board note in respect of BR No 10775 mentions that 50% additional FSI is permissible on religious plots, however the same was inadvertently not included in the Annexure attached to the Board note approved by the Board. Subsequently vide BR No 11361 dated 19.05.2015, the Board approved Policy guidelines for grant of additional FSI to Educational, Medical, Institutional and Religious buildings as per Regulation no 16.3(1a) C of GDCR. However the rate of premium was not specified. **Refer Annexure V.** As per the provisions of the CIDCO GDCR 1995, 50% additional FSI is permissible for religious user plots. The rate prescribed is 25% of the Ready Reckoner rate of the respective year, out of which premium shall be paid 50% to the Government and remaining 50% to CIDCO or concerned Planning Authority. **Refer Annexure VI.**
- g) The Corporation has a policy vide BR No 7632 dated 29.11.97 regarding expansion of user. **Refer Annexure VII.** The salient features of this policy are as follows:
 - i. If the expanded use is more or less of the same type which has already been permitted, then Administrative Charges of Rs. 500/- per sqm of the built up space/land area on which such expanded use is to be permitted.



- ii. If the expansion of User of a totally different type of usage is to be allowed, then the additional Lease Premium is proposed to be the maximum of the amount calculated by the following three methods:
- Lease Premium at the rate applicable to the highest user for the relevant FSI under the Pricing Policy in force for the time being minus the lease premium at the rate applicable as per the pricing policy in force for the time being for the allotted user.
 - Lease Premium at the rate applicable to the highest user for the relevant FSI under the pricing policy in force for the time being minus original Lease Premium paid by the Lessee and escalated at a compound rate of 12% per annum for the period from the date of Agreement till the date of application for permitting the expansion of use.
 - Administrative charges leviable i.e. Rs. 500 per sqm of the buildable area for which the change of user is sought.
- iii. In cases Licensee has changed the use without prior approval of the Corporation, the charges shall be 150% of that charged for regular cases. Such cases shall be considered by declaring an Amnesty Scheme.
- iv. Provision for charging 125% of the applicable rate if the proposed end user is Hotel.
- h) Regarding CIDCO constructed dilapidated buildings, the Govt. vide GR dated 04.02.2015 approved a policy for grant of additional FSI upto max 2.5, wherein there is no provision for recovery of additional Lease Premium, but a sharing of built up premises with the Corporation. The Board vide BR No 12124 dated 21.01.2019, has resolved to (i) Deleting provision for CIDCO to act as developer, (ii) replacement of minimum 300 sqft carpet area provisions, (iii) amending the word rate of construction to cost of construction, (iv) making CIDCOs share in the form of premium instead of BUA and (v) other incidental changes as mentioned in regulation 34. The Board has resolve to initiate the procedure

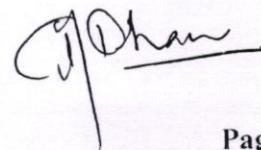


under section 37(1) of the MRTP Act 1966 for amendment to GDCR of CIDCO in Regulation 34 and corresponding Appendix VII. Ref Annexure IX.

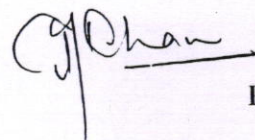
- i) In view of the above, it is necessary to prepare a consolidated policy for grant of Change of user and grant of additional FSI for various types of plots.

3. Methodology adopted for Revised Policy:

- a) The Navi Mumbai Municipal Corporation and the Panvel City Municipal Corporation are the Planning Authorities in their respective jurisdiction. The Corporation is still performing the dual role of New Town Development Authority and Planning Authority for the areas such as Ulwe and Dronagiri Node. Hence within the jurisdiction of NMMC and PCMC, the decision whether the said additional FSI and/or Change of user is permissible or otherwise shall be taken by the respective Planning Authorities, and the role of CIDCO shall be that of a Lessor to grant the No Objection Certificate (NOC) by recovering the Additional Lease Premium for permitting such Additional FSI and/or Change of Use in terms of the Regulation 11(vi) of NMDLR 2008.
- b) It is proposed that for Religious, Education, Health, Hotel and IT/ ITes use, the rates applicable shall be as per the prevailing policies of the Govt. of Maharashtra or as per DCR in case of religious use and as amended from time to time and the same shall be removed from the CIDCO policy to avoid conflicting provisions.
- c) The User excluded in the earlier policy like Service industry plots, godown and warehousing plots shall be added.
- d) In case of change of User having higher Base Price to use having lower Base Price or for similar or compatible use, it is proposed to levy administrative charges by appreciating the charges of Rs. 500 per sqm fixed vide BR No 7632 dated 29.11.1997 at the rate of 10% per annum. This works out to Rs. 4070 per sqm upto March 2020. It is proposed to consider Rs. 4500 per sqm as Administrative Charges.



- e) Regarding the applicable rate for conversion from Residential to Residential plus Commercial use, the Pubic Undertaking Committee (PUC) in respect of para 2.1.21 in the XVIIIth (2017-18) Report for the year 2011-12, recommended that CIDCO should review its policy for grant of change of user from Residential to Residential plus Commercial use. Accordingly the same was examined by an internal Committee and submitted to the Board. The Board vide BR No 12152 dated 18.02.2019 has resolved to retain the rates as per the BR No 10775 dated 16.03.2013. Accordingly the decision of the Board was communicated to the Govt. The BR No 10775 has two rates (i) 100% Base Price for plots abutting 20m wide roads and above and (ii) 75% of Base Price for plots abutting road width of 20m or less. This rate was applicable on the additional 0.5 FSI area. It is proposed to simplify the said calculation and charge a flat rate of 100% of Base Price for plots irrespective of road width. This works out to 225% of Reserve Price of the relevant Node to be levied on the plot area.
- f) Regarding Change of User from Commercial to Residential plus Commercial, the Base Price for both users is 450% of RP. Hence for such Change of user, it is suggested to recover Rs. 4500/- per sqm Administrative Charges on the entire plot area.
- g) Regarding the rate for change of user from Service Industry/ Godown having 0.5 FSI or VPR 2.0 to Commercial user with 1.5 FSI, is approved vide BR No 9381 dated 10.02.2006, however while factoring the premium paid by the Licensee, the rate already paid is deducted. This method becomes unviable if the date of allotment is many years before the date of change of user. In order to factor the premium paid for the earlier user in a realistic manner, it is suggested that differential Base Price at prevailing Reserve Price should be recovered. Accordingly for permitting change of user from Service Industry/ Godown (Base Price 150% of RP) to C (Base Price 450% of RP) it is recommended, that $(450\% - 150\%) = 300\%$ of prevailing Reserve Price of respective Node to be levied on plot



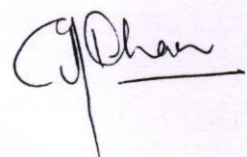
area should be recovered. In case any user desires to avail only 1.0 additional FSI then the same shall be reduced proportionately.

- h) In case of change of user from Warehousing plots with VPR 4.0 to Commercial user, it is proposed to charge the same rate as applicable for Service Industry plots.
- i) It is proposed to retain the provision for change of user into Hotel as per BR No 7632, i.e. 125% of rate applicable for other change of user categories.
- j) In cases where the Licensee has already changed the use without approval of the Corporation, but the same is permissible as per the DCR of the concerned Planning Authority, the para 11 and 12 of the Board note of BR No 7632 mentions - *"In case an unauthorized use has been made without the prior written permission of the Corporation, the charges shall be 150% of that determined as in para (10) above."* It is proposed to enhance this rate to 200%. The Board vide BR No 7632 specifies declaring an Amnesty Scheme for such cases. It is proposed to retain this part resolution of BR No 7632.
- k) With a view to have more clarity and simplification of calculation of Additional Lease Premium, it is proposed to clearly specify the rate in terms of percentage of Reserve Price or Administrative Charges for various scenarios of change of user as well as additional FSI on total plot area.
- l) The rates shall be specified on the basis of existing and proposed user only and not for type of legal entity like Govt./ Public Authority or Charitable Trust etc, to avoid duplication.

4. Proposed Policy for grant of additional FSI and/or grant of Change of User:

The proposed Policy is as follows:

- a) Permissibility of additional FSI and/or Change of User shall be decided by the concerned Planning Authority: The applications for grant of additional FSI and/or Change of User shall be processed by the Estate Dept. only after receipt of a letter from the respective Planning Authority clearly stating that the said Change



of User / additional FSI is permissible on the subject plot as per the respective DCR provisions.

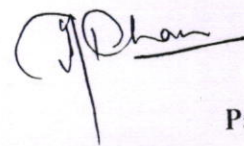
- b) In case of grant of additional FSI for Education, Health and Hotel use, the rates applicable shall be as per the Govt. Directives dated 14.03.2016 and as amended from time to time. Further it is clarified that in case of Composite School plots allotted by the Corporation, wherein Jr College is also functioning as of date, then in such case, for grant of additional FSI, the rate of 20% shall be considered, whereas for all other plots allotted for College use, a rate of 30% shall be charged.
- c) In case of grant of additional FSI for IT / ITes plots: The policy dated 15.07.2016 has a provision - "In case of the Navi Mumbai Notified Area, the CIDCO as land owner may recover lease premium for additional FSI if applicable under Land Disposal Policy of CIDCO." However it is proposed that the rates applicable shall be as per the prevailing policy of the Govt. of Maharashtra dated 15.07.2016 and as amended from time to time.
- d) In case of grant of additional FSI for religious plots, the premium shall be recovered at rates specified in the Govt. Resolutions in this regard or the DCRs of the respective Planning Authorities and as amended from time to time.
- e) In respect of following cases, the rate for additional Lease premium for additional FSI and/or Change of User shall be as follows:

| Sr. No. | Existing Use and FSI | Proposed Use and FSI | Applicable Rate |
|---------|--|--|--|
| A | B | C | D |
| 1 | Residential including Society plots but excluding bungalow plots with 1.0 FSI. | Residential plus Commercial with increase of FSI from 1.0 to 1.5 | 225% of prevailing Reserve Price to be levied on the entire plot area. |
| 2 | Commercial with 1.0 FSI | Commercial or Residential plus Commercial with increase of FSI from 1.0 to 1.5 | 225% of prevailing Reserve Price to be levied on the entire plot area. |

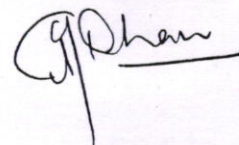
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| Sr. No. | Existing Use and FSI | Proposed Use and FSI | Applicable Rate |
|---------|--|--|--|
| A | B | C | D |
| 3 | Residential plus Commercial with 1.5 FSI | Commercial with 1.5 FSI | Rs. 4500/- per sqm Administrative Charges to be levied on the entire plot area. |
| 4 | Commercial with 1.0 or 1.5 FSI/ Hotel | Residential plus Commercial with same FSI. | Rs. 4500/- per sqm Administrative Charges to be levied on the entire plot area. |
| 5 | Service Industry, Godown including LPG Godown with 0.5 FSI or VPR 2.0 | Commercial with 1.0 FSI | 150% of prevailing Reserve price to be levied on the entire plot area. |
| | | Commercial with 1.5 FSI | 300% of prevailing Reserve price to be levied on the entire plot area. |
| 6 | Storage/Cold Storage/ Warehousing with VPR 4.0 | Commercial with 1.0 FSI | 150% of prevailing Reserve price to be levied on the entire plot area. |
| | | Commercial with 1.5 FSI | 300% of prevailing Reserve price to be levied on the entire plot area. |
| 7 | Petrol Pump/ CNG Stations/ Public Parking Lot/ Commercial Complex/ Housing Society | Electric Charging Stations | Rs. 500/- per sqm Administrative Charges to be levied on the plot area considered for conversion. |

- f) For all other cases not included above, for change of user from Lower to Higher use, with or without additional FSI, which are permissible as per the DCRs of the concerned Planning Authority, the guiding principle for calculation of the additional Lease Premium shall be the differential Base Price worked out at prevailing rate of Reserve Price of the respective Node
- g) In case of change of User having Higher Base Price to Lower Base Price or for similar or compatible use, the same shall be permitted on recovery of Administrative Charges of Rs. 4500 per sqm on plot area.



- h) Change of User to Hotel: In case of Sr. No 2 to 6, if the proposed user in Column C is Hotel then the rate applicable shall be 125% of rate mentioned in Column D.
- i) Administrative charges for Social Facility plots: In case of Social Facility plots where change of use is permitted as per the BR No 12035 dated 08.05.2018. **Refer Annexure VIII.** It is proposed that such change of use shall be permitted on recovery of Administrative Charges of Rs. 1500 per sqm. on plot area.
- j) Regularization cases: In cases where the Licensee has changed the use without approval of the Corporation, and the same is permissible as per the DCR of the concerned Planning Authority, such change of user shall be regularized on payment of penalty of 200% of the rate as fixed in the respective para above. In case the use is changed to Hotel without approval of the Corporation, the factor of 200% shall be applied after enhancing the rate as per para 4(h) above. It is proposed to advertise an Amnesty Scheme for regularization cases. The validity of the Amnesty scheme shall be for a period of one year.
- k) Competent Authority for granting approvals: For all cases under the para 4(f), 4(g) and 4(j), the VC&MD shall be the Competent Authority to grant approval. For all other cases, the approvals shall be granted as per the prevailing Delegation of Powers.
- l) Additional FSI shall be granted to the extent of min 0.5 FSI at a time, except in cases where FSI consumption is restricted due to height restriction or any such statutory provisions.
- m) Time limit for completion of building in respect of additional FSI: The time limit for completion of the additional FSI shall be 2 years for 0.5 or less FSI and 4 years for FSI more than 0.5 irrespective of plot area and in case the said additional FSI is not consumed within the stipulated period then further

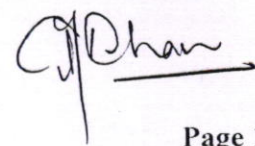


additional Lease premium towards extension in time shall be levied as per the prevailing policy for grant of extension in construction period.

- n) Additional Lease premium towards location advantage shall not be added for grant of additional FSI cases.
- o) Plots allotted for APMC and Steel Warehousing shall not be granted change of Use, as these plots are part of statutory shifting of wholesale markets to Navi Mumbai. Additionally marble market plots shall also not be granted Change of Use
- p) Change of User shall not be permitted for plots allotted for Petrol/ CNG pump (except for Electric Charging Station), Printing Press, Public Utility, Hostels, Social (except those specified in BR No 12035), Educational and Health use.

5. Decision in respect of sharing of revenue in respect of rates determined by Government Resolution:

- The Government of Maharashtra, in exercise of the powers under Sub-section 3A of Section 113 of the MRTP, appointed CIDCO as the "New Town Development Authority" for Navi Mumbai with a view to create a new town in a planned manner so as to decongest Mumbai. CIDCO, being the New Town Development Authority, has the power and authority to dispose of the developed lands on lease within the notified area of Navi Mumbai in exercise of the powers under Section 118 of the MRTP.
- CIDCO, in exercise of the powers under Section 118, read with Section 159 of the MRTP, has framed the rules and regulations for disposal of the lands with the previous approval of the Government, which was popularly known as 'New Bombay Disposal of Lands Regulations 1975'. These Regulations were subsequently amended and are now known as the 'Navi Mumbai Disposal of Lands (Amendment) Regulations, 2008'.

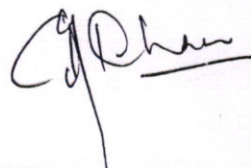


- The revenue generated from the disposal of lands, change of user and grant of additional FSI etc is utilized for the development of the new city.
- As per the Regulation 11 (vi) of NMDLR 2008 - User of Land and consumable FSI:- *Every lease shall specify user and FSI permitted to the demised premises, which shall not be changed/ increased without the prior written permission of the Corporation and without the payment of prescribed additional premium and other charges.*
- Accordingly the Corporation has framed the policy for Change of User and grant of additional FSI for various users from time to time.
- However in case of the Government Resolutions in respect of grant of additional FSI, there is a provision for sharing of revenue between the Government and the Planning Authority. As a result the Corporation inspite of having the powers to levy additional Lease Premium being Lessor of the said lands, is adversely affected. In order to overcome this situation, it is proposed to send a request to the Government that the share of the Govt. may be retained by CIDCO, being Lessor of the lands on behalf of the Govt. It is proposed to seek approval from the Government regarding the same.

6. Proposal:

The Board of Directors is requested to approve the consolidated policy for grant of additional FSI and Change of User as mentioned in para 4 of the Board note. The Board is also requested to pass suitable resolution in respect of sharing of premium as brought out in para 5 of the Board note.

- D) **Financial Implication:** As proposed above
- E) **Legal Requirements/Implications/Provisions:** Nil
- F) **Date of Approval of the Agenda Note by the VC & MD:** 05.02.2020
- G) **Whether continuation of Deferred item/or Fresh Item:** Fresh item.
- H) **Whether to provide the Board Note and Board resolution under RTI Act, 2005 –**
Yes



DRAFT RESOLUTION:

"RESOLVED THAT, the Board do and hereby approve the policy for grant of Change of User and grant of additional FSI as proposed in para. 4 of the Agenda Note".

"RESOLVED FURTHER THAT, all the earlier Board Resolutions in respect of grant of Change of User and grant of additional FSI shall stand superseded by the present Board Resolution".

"RESOLVED FURTHER THAT, the Board do and hereby authorise the VC&MD to request to the Government to amend the Govt. Resolutions in respect of grant of additional FSI for Education, Health, Hotel, IT/ITES and religious use to include a proviso that the share of the Govt. shall be retained by CIDCO, being Lessor of the lands on behalf of the Govt.".

"RESOLVED FURTHER THAT, the Board do and hereby authorize the VC&MD/Jt. MD-I/Jt. MD-II/M(TS-I)/M(TS-II)/M(TS-III) to implement the above resolution".

Initiated by :

Signature :

Name :

Designation : Manager (Town Services-1)

Faiyaz Khan

P.T.O.

C/451

Item No.9/624 BM :

A consolidated policy to determine the rates of Additional Lease Premium for grant of Additional FSI and/or Change of use for various types of Users.

After discussions, the Board unanimously passed the following Resolution: -

RESOLUTION NO: 12299

"RESOLVED THAT the Board do and hereby approve the policy for grant of Change of User and grant of additional FSI as proposed in Para-4 of the Agenda Note with following additional condition :-

- (a) That the administrative charges for electric charging station [as proposed in Sl.No.7 of Para 4 (e)] shall be free for stations executed during initial Three years [i.e. Till 31st March, 2023].
- (b) That the additional FSI and/or change of user shall be as per permissibility criteria of existing Zone use.

"RESOLVED FURTHER THAT all the earlier Board Resolutions in respect of grant of Change of User and grant of additional FSI shall stand superseded by the present Board Resolution."

P. T. O.

C/453



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"RESOLVED FURTHER THAT the Board do and hereby authorize the VC&MD to request to the Government to amend the Govt. Resolutions in respect of grant of additional FSI for Education, Health, Hotel, IT/ITes and religious use to include a proviso that the share of the Govt. shall be retained by CIDCO, being Lessor of the lands on behalf of the Govt."



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



Passed by the Board vide Resolution No.
12299 of Board meeting held on
07-02-2020
Company Secretary
Emp. No. 34023