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New TDR policy to hit suburban redevelopment

The new Transfer of Development Rights (TDR) policy linking Floor Space Index (FSI) to the width of the roads will impact the redevelopment projects in the suburbs of Mumbai, say builders. Now, instead of the blanket FSI of 2 currently in force, the new rules will base the TDR on the width of the road along the project sites. Under the new policy, any project on the road along the site less than 9 metres will get no TDR benefit while all projects abutting roads over 30 metres wide will get a bonanza of 2.5 FSI.

According to one builder the move will affect the revamp of suburbs. "There are lots of buildings where the roads are narrow and our viability will be hit if the FSI is reduced," said he while adding, "This will ensure that only few projects on main roads will take off while the others will be left in a lurch."

The new proposal has 1.5 FSI for plots where the road is in the range of 9-12 metres wide, while for roads in the range of 12-18 metres, the FSI is 1.75. The move benefits plots, the adjoining road to which is in the range of 24-30 metres, where he gets a FSI of 2.25 and for all plots above 30 metres road width, builder gets 2.5 FSI.

Similar is the grouse of builder who said that the policy is tailor-made to benefit big builders. "It would be windfall of profits for builders with huge plots and corresponding bigger road width as they will get more FSI of 2.5 instead of the current 2," said he. In the suburbs, the builders get a base FSI of 1 which is equivalent to the area of the plot. He then purchases an additional 1 from the TDR lobby thus bringing the total FSI to 2. Of this, the builder uses 60% to rehabilitate the old tenants and the rest 40% is used as a sale component which he sells in the open market.

The builder said the main issue now will be the agreements executed by various residents with the builders. "Now the entire agreement would have to be reworked and this will only delay the entire revamp process," he added.

Even environmentalists have opposed the new policy saying it will only add to the chaos. "Higher FSI will result in bigger complexes and what we are seeing are huge traffic jams even on bigger roads due to this reckless construction," said a noted environmentalist.

The state government, however, defends saying that it was imperative to link the two. "We cannot allow skyscrapers to come up when the existing roads are narrow," said a senior official.

Soon no bail, just jail if your cheque bounces

The government is preparing to amend the law to introduce stringent punishment for bounced cheques from this year, which could act as a deterrent for defaulters in a country saddled with above 1.8 million lawsuits on dishonoured cheques. The proposed changes could do away with the long-drawn process of settling disputes, even after years of litigation.

Among the suggestions being considered is to give a window - possibly 30 days for settling disputes between complainants and people whose cheques bounced. If the two parties fail to come to an understanding within that time, the defaulter could be put in jail without bail at the court's discretion. "These are among several options on the table. We will finalise the specifies shortly. To promote cashless transactions, we will not shy away from incorporating stringent provisions," said a source involved in deliberations over amendments to the negotiable instruments act, which governs cases relating to bounced cheques. Cheque bounce is a bailable offence under the current law, which enables defaulters to stay away from jail as long as the trial is on. The law stipulates imprisonment up to two years or fine that may extend up to double the dishonoured amount or both. Of the options being considered, the government could make the law

Richest 1% of Indians now own 58.4% of wealth

The richest l% of Indians now own 58.4% of the country's wealth, according to the latest data on global wealth from Credit Suisse Group AG, the financial services company based in Zurich. Credit Suisse has published the report every year since 2010.

The share of the top 1% is up from 53% last year. In the last two years, the share of the top 1 % has increased at a cracking pace, from 49% in 2014 to 58.4% in 2016.

Does that mean the trend of the very rich getting richer is because of the Modi government? Not really. The share of the top 1% in the country's total wealth improved from 40.3% in 2010 to 49% in 2014. But the numbers do suggest that the very rich are expanding their share at a faster clip now. The richest l0% of Indians haven't done too shabbily either, increasing their share of the pie from 68.8% in 2010 to 80.7% by 2016. In sharp contrast, the bottom half of the Indian people own a mere 2.1% of the country's wealth.

Data from Credit Suisse shows that India's richest do well for themselves whichever government is in power. In 2000, for instance, the share of the richest 1 % was a comparatively low 36.8% of the country's wealth. In the last 16 years, they have increased their share from a bit more than a third to almost three-fifths of total wealth.

Latest Circular / Order

Ja.Kra.Ka.15/Bamuddat-2017-18/574
Office of the Inspector General of Registration & Controller of Stamps, Maharashtra State, Pune.
New Administrative Building,
Ground Floor, Pune 1.
Date : 19/05/2017

ORDER

Sub:- About Annual Statement of Rates of Immovable Properties for the Year 2017-18

Ref : 1) Order of this office order No. Kra.Ka.15/Bamuddat-2017-18/414 dated 31/03/2017.
2) Letter of Government No.Kra.Mudrank-2017/1166/Pra.Kra.236/M-1 dated 16 May 2017.

Whereas, under the powers granted under Rule 4(3) of The Maharashtra Stamps (Determination of True Market Value of Property) Rules, 1995, the Chief Controlling Revenue Authority and Inspector General of Registration & Controller of Stamps, Maharashtra State, Pune has for year 2017-18 approved the Annual Statement of Rates for the full geographical area of Maharashtra and the same is in force from 1st April 2017.

And further whereas, CREDAI-MCHI has given a letter dated 5/4/2017 to Government to reconsider the increase in land rate in Mumbai Metropolitan Region and considering the request the government has by letter dated 16 May 2017 ordered that only the land rates for all the Municipal Corporations and Municipal Councils in Mumbai Metropolitan Region shall be suspended for a period of coming one month and in that one month such rate statement shall be fully reconsidered and amended proposal should be forwarded to the Government for further orders.

Hence under the powers granted under section 21 of the General Clauses Act, 1897, **only the land rates** of all the Municipal Corporations and Municipal Councils in Mumbai Metropolitan Region is suspended for a period of coming one month. During that period rate of land for the year 2016-17 and rate of built-up for the year 2017-18 shall be applicable.

S/d
(Anil Kavde)
Chief Controlling Revenue Authority and Inspector General of Registration & Controller of Stamps, Maharashtra State, Pune.

Copy to:-
1) to 11) Various Govt. Officers.

This is a liberal English Translation of the original Marathi Order which is available on our website www.apcigroup.in.

This order was extended to 3 months vide Order dated 19/06/2017 and further extended by one month vide order dated 19/08/2017.

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